

Approved 4-5-10

**BOROUGH OF ROCKY HILL
COUNCIL MINUTES
SPECIAL MEETING
FEBRUARY 22, 2010**

The special meeting was called to order by Mayor Edward Zimmerman at 7:33 PM followed by the salute to the Flag.

NOTICE OF COMPLIANCE WITH THE OPEN PUBLIC MEETINGS ACT

The following notice was read into the record by Mayor Zimmerman: This special meeting was called pursuant to the provisions of the Open Public Meetings Law. Notice of this meeting was transmitted to the Courier News and Somerset Spectator on February 17, 2010. In addition, copy of said notice was posted accordingly and filed in the Office of the Borough Clerk on aforementioned date. Notices on the bulletin boards have remained continuously posted.

CALL OF THE ROLL

Mr. James Banks-present, Mr. Jeff Donahue-present, Ms. Linda Goldman-present,
Mr. Mark Pausch-present, Mr. Robert Steen-present.

Absent: Ms. Julia Hasser

Also in attendance: CFO Joseph Monzo

BUDGET WORKSHOP DISCUSSION

CFO Monzo distributed the following documents for review and discussion: Summary Levy Cap Calculation, Analysis of Spending Cap, Calculation for Reserve for Uncollected Taxes, Analysis of Fund Balance - Projected and Actual, 2009 and 2010 Revenues and Appropriations.

Discussion ensued regarding the potential loss of State aid funds and the effect of same given the tax cap levy of 4% and the spending cap constraints.

The following project requests (to be considered over a three year period) and estimated costs were discussed:

- Buildings and Grounds – Re-mulching of Panicaro Park and Borough Hall - \$10,000.00; tree replacement at tennis wall - \$1,500.00; Borough Hall upgrades, equipment - \$5,500.00; energy audit recommendations - \$20,000.00.
- Administration and Records - codification of land use ordinances - \$10,000.00;
- Finance and Insurance - no projects anticipated;
 - Shade Tree - Tree thinning/removal/replacement - \$2,500.00;
- Streets and Roads - Sidewalk Repair/Replacement - Phase III - \$50,000.00; solar pedestrian lights - \$60,000.00.
- Public Safety - no projects anticipated;
- Water/Sewer (utility capital fund) - Well house improvements, meter install, miscellaneous - \$16,100.

2009 appropriations and 2010 projected appropriations needs were reviewed and discussed. Adjustments were made for increases or decreases in response to specific needs. It was agreed that some of the projects presented can be funded through the budget appropriation line items as discussed and other projects may be able to be funded via grant opportunities. \$20,000.00 will be earmarked for the Phase III sidewalk repair/replacement project for areas in need of emergency repair (broken and cracked sidewalks). Clarification will be obtained by CFO Monzo on whether the shared services agreement with South Brunswick Health Department can be an "outside cap" appropriation; an estimate of the operating costs for the maintenance at Van Horne Park will be obtained from Engineer Tanner. An evaluation will need to be made on whether additional funds will need to be appropriated to fund the lawsuit on the school board consolidation. An estimated \$10,200.00 was proposed to be added to the appropriations for 2010.

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The maximum allowable amount to be raised by taxation given the 4% maximum allowable levy cap is \$464,673.00 (with allowable exclusions) for 2010. It was noted that \$6,320.00 is the equivalent of a tax point (cent), and the Borough would be allowed to increase the tax rate by 1.8 cents in meeting the allowable 4% maximum allowance.

An overview of the revenues portion of the budget was provided. The tax collection rate for 2009 is estimated at 98.67%. CFO Monzo related that the reserve for uncollected taxes has historically been calculated at a lower, more conservative percentage rate for budgeting purposes. He recommended that a rate of 96.00% should be utilized in calculating the reserve for uncollected taxes.

Discussion ensued regarding the tax impact of the anticipated cut in State aid on Borough residents at both the local level as well as on the school board level. It was related by Mayor Zimmerman that it is anticipated that there will be an increase in the school tax but that the County will not be raising taxes. The implications of not raising taxes to the allowable tax levy cap and appropriations cap along with the utilization of more surplus funds was discussed. It was the consensus of Council to increase the use of surplus funds in order to offset the need for a local tax increase, however, it was agreed that if there is a cut in the amount of State aid that the Borough receives, the Borough may have to raise taxes in order to fund the shortfall.

CFO Monzo will prepare the budget for introduction at the March 15, 2010, meeting of Council.

OPEN TO PUBLIC

The floor was opened to the public for comments/questions. Hearing none, the floor was closed.

MOTION TO ADJOURN

Motion was made by Banks with a second by Steen to adjourn the meeting at 9:35 PM. All voted in favor of adjournment.

Respectfully submitted:

Donna M. Griffiths, RMC
Borough Clerk