

June 22, 2011

**Minutes for the Joint Consolidation/ Shared Services Study Commission of
Princeton Borough
and
Princeton Township
June 22, 2011 – 7:04 p.m.
Township Hall Community Room, Princeton NJ**

1. CALL TO ORDER

The meeting was called to order at 7:04 p.m., with Ms. Phyllis Persicketti reading the Open Public Meetings Act 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 written notice attached hereto,

On February 19, 2011 at 2:00 p.m., said notice was posted in the official bulletin board, transmitted to the Princeton Packet, the Trenton Times, the Town Topics, filed with the Township Clerk and posted on the Princeton Borough and Princeton Township websites.

2. ROLL CALL

ATTENDEES:

Township Appointees - Valerie Haynes (Vice Chair), Mayor Chad Goerner (arrived at 7:09 p.m.) Carol Golden, Bill Metro, Bernie Miller;

Borough Appointees: Mayor Mildred Trotman; Alice Small (Alternate), Ryan Lilienthal, Patrick Simon and David Goldfarb

DCA Representative: Eugene McCarthy; and

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Township Administrator: Jim Pascale

Other Attendees: Joseph Stefko (Center for Governmental Research-CGR), John C. Fry (CGR),

Absent: Anton Lahnston (Commission Chair) and Bob Bruschi (Borough Administrator)

3. REVIEW and APPROVAL MINUTES FROM MAY 25, 2011

In the caption portion of the minutes, the word 'AGENDA' needs to be removed and changed to reflect the word 'MINUTES', per Vice Chair Haynes. With that noted change, a motion was made to approve the minutes by Mayor Trotman and seconded by Mr. Goldfarb. All vote in favor. The May 25, 2011 minutes were approved.

4. REVIEW and APPROVAL MINUTES FROM JUNE 8, 2011

The June 8, 2011 minutes will be tabled to the next scheduled meeting to be July 20, 2011.

5. PUBLIC COMMENTS

No one from the public came forward to speak.

6. REVIEW and APPROVE - COMMISSION RECOMMENDATIONS AND RATIONALE DOCUMENT

Mr. Miller suggested a change to the section on advisory planning districts. He read the proposed change. . Mr., Lilienthal made a motion to approve the Recommendations Document with this change which was seconded by Mayor Goerner. All voted in favor. Motion was approved. Mr. Goldfarb stated he was not opposed to the recommendations document because it is accurate.

7. REVIEW and APPROVE –FOREWARD – OUR RECOMMENDATION TO CONSOLIDATE DOCUMENT

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Mr. Goldfarb stated that the *Foreward* document was very well done; however, he believes the document is a marketing tool to promote the idea of consolidation and try to convince people that consolidation is a good thing. Mr. Goldfarb feels that the foreword goes beyond what it should do and he also believes that the work of the Commission could be compromised by a foreward that appears so strongly in favor of consolidation. People should read the entire report and the beginning section should not start out by saying that consolidation is a wonderful thing because this is selling consolidation. Mr. Goldfarb feels that the report should say that the Commission worked very hard on this document. He looks forward to the community-wide discussion of the recommendations in the coming months. Mayor Trotman felt that there was nothing wrong with marketing - this is the Commission's recommendation reached after months of in depth study and discussion and the Commission should advocate for it. Committeeman Miller agreed that the public will expect the Commission to advocate for its recommendaion. . Mayor Goerner reminded Mr. Goldfarb that the *Foreward* was redesigned based on the "disadvantages" which Mr. Goldfarb perceived and circulated to the Commission following the last meeting. Ten members of the Commission, including Mr. Goldfarb, attended the joint Finance and Consolidation subcommittee meeting and spent several hours discussing and revising the document. The final document is the result of input from all members of the Commission. Mayor Goerner said the disadvantages have been clearly set forth and addressed , as well as the the ways in which the Commission believes they can be mitigated.Moving forward, the recommendation of the Commission is that overall the advantages to consolidation outweigh any disadvantages. Mayor Goerner reminded Mr. Goldfarb that there was a nine to one vote in favor of recommending consolidation.. Mr. Goldfarb said that nevertheless there are some things which will be worse after consolidation then they were before. Vice Chair Haynes added that the Foreward acknowledges the more subjective concerns residents have expressed concerning consolidation and gives the Commission's responses to those concerns - the document supplements the Recommendations and Rationale document which deals with the objective and quantifiable issues. -

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A motion was made to approve the *Foreward* document by Mayor Trotman and seconded by Mayor Goerner. All voted in favor with the exception of Mr. Goldfarb who was opposed. Motion carried.

8. REVIEW and APPROVE – ADDITIONAL FINANCIAL CONSIDERATIONS OF CONSOLIDATION DOCUMENT

Commissioner Pat Simon led the discussion of this document, which he authored. He passed out copies of a two page list of proposed changes submitted after distribution of the document to the full Commission earlier in the week. The Commission then reviewed the proposed changes. With respect to Phase-In of Commission Recommendations on page 1, Mr. Miller suggested a change in the second sentence to read “In certain cases, notably the police department merger, the Commission is recommending a phased implementation of the consolidated staffing model. While it is the goal that all of the transition work be conducted without disruption of public services, the police department is unique in that it provides a vital service, the protection of life and property, As a result with respect to the police department, the full tax impact of consolidation will not be realized until the staffing transition is complete, which may take up to three years.” This is similar to the language in the Recommendations and Rationale report. After some discussion it was decided to move forward and accept the original wording of the document, as this document is addressing financial issues, and the full discussion is contained in the Recommendations report.

On page 4, the last sentence of the paragraph labeled “i. reads, “Furthermore, future events could conceivably push the net spend from the borough’s capital funds balance outside of this projected range.” Mrs. Small suggested changing the word ‘push’ to the word ‘**move**’. The reflected change was made.

Mr. Simon read for the record proposed revised wording of the *Bond Ratings* section of the document located on page 6. Mr. Goldfarb noted the combined municipality would have the same debts/obligations as the two individually and therefore will not be any better off, so while

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the last sentence is probably correct, no base has been established for that conclusion. Mayor Goerner said that the first paragraph is important because it explains the importance of bond ratings. Mayor Goerner is pleased with the wording.

Another suggestion was to insert the word "annual" in several parts of the document to clearly document annual vs. one time savings – tax savings are annual and the impact of equalization does not represent a tax saving. Equalization effects on school and county taxes are discussed, but these changes cannot be called annual savings. Mayor Goerner stated that some wording to identify annual savings is needed because otherwise it is misleading. People think the savings are a onetime coupon and the tax level would rise back up to the same level the following year, which is not the case. . It was pointed out that there is a separate section explaining equalization within the document. Mr. Goldfarb said that the amount the total community is paying towards school taxes is the same before and after consolidation - though the amount an individual property pays may change somewhat because the ratables are merged rather than equalized. Mayor Goerner moved for the acceptance of the proposed changes in number two listed in the hand out, which motion was approved by the Commission.. Also, Mr. Simon noted there was typo and the number should be **248**, not 258.

Mayor Goerner stated that on page 6, the section relating to *Reassessment* -- it states that consolidation would require reassessment in 2012 to take effect in 2013 and a clarifying sentence should be added to state: a reassessment is not a reevaluation and the reassessment will be conducted by the Tax Assessor's office. It should be clear because a reevaluation is very costly and a difficult process and a reassessment is not that process. The method that the assessor used this past year is known as Section 101 Readjustment. With a Section 101, only 25% of the properties can be affected. The municipalities have been considering and the Reevaluation Task Force has recommended that the joint assessor should do a periodic reassessment. This recommendation is acceptable, per Mayor Goerner. The assessor will do a reassessment and not just a Section 101 adjustment It was agreed to add language to clarify that a reassessment is not

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the same as a full revaluation. Mr. McCarthy (DCA) clarified that in a reassessment 50% of the parcels have to be reviewed, but not all reviews must result in changed assessments.

Mayor Goerner made a motion to adopt the Reassessment portion and the other changes discussed which was second by Ms. Golden. All vote in favor. Motion carried.

During the meeting, Mr. Stefko made changes to the documents in accordance with the discussion. He indicated that the Foreword, Recommendations and Rationale and Additional Financial Considerations documents will be posted to the web site early tomorrow.

9. APPROVED DOCUMENTS/MATERIALS FOR BOROUGH COUNCIL and TOWNSHIP COMMITTEE

Alice Small suggested that the proposed order of documents being submitted to the Governing Bodies should be changed. After some discussion, the Commission agreed that the order should be revised as follows:

- a. Cover Letter and Order of Materials
- b. Foreward – Our Recommendation to Consolidate
- c. Recommendations & Rationales
- d. Summary of Residential Tax and Non-Tax Impacts from Consolidation
- e. Additional Financial Considerations of Consolidation
- f. Options Report
- g. Request to DCA for Transition Funds to Support the Proposed Consolidation of Princeton Borough and Princeton Township – June 6, 2011
- h. DCA Report: Fiscal Aspects of Consolidating Princeton Borough and Princeton Township – June 2011 (The Request to the Commission is to Accept This Report, Rather Than Approve It)

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With respect to the DCA Report , , a motion was made to accept the report by Mayor Goerner and seconded by Mrs. Small. All voted in favor, Motion carried.

Mr. Goldfarb noted that the proposed cover letter contained signature lines for each Commissioner. He pointed out that the last paragraph reads: “We are very proud of the analysis completed, the recommendations made and the details presented in the attached documentation. Except for the Baseline Report, Municipal Services and Financial Overview, which has been available on line since January 2011, the attachments to this letter present all the relevant information resulting from the work of the Commission. We ask for your review and favorable consideration in moving the recommendation forward to the voters in November of 2011. Thank you”. Mr. Goldfarb said that he did not vote for the recommendation and does not wish to state that he is proud of the recommendation. He said that he is proud of the work the Commission has accomplished and he will support placing the recommendation before the voters in November. But he does not want to sign something saying he is proud of the recommendations and then go out into the community and express his concerns. . He suggested that Chair Lahnston should submit the cover letter as he is Chair and leave the cover letter as written. Several Commissioners disagreed, saying the cover letter should be signed by the full Commission. After further discussion, the final paragraph was amended as follows:

“We are very proud of the analysis completed in support of our recommendations and the details presented in the attached documentation. We ask for your review and favorable consideration, moving the recommendation forward to the voters in November 2011”. Thank you.

A motion was made by Mayor Goerner to have the Committee members accept the cover letter with the change set forth in the paragraph above. All voted in favor.

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Administrator Pascale printed the revised letter and all Commissioners present signed it.

SCHEDULE FOR JULY, AUGUST, SEPTEMBER and OCTOBER

The meeting date schedule is listed below:

July 20, 2011

August 17, 2011

September 20, 2011

October 26, 2011

All committee members concurred with this schedule..

10. OTHER BUSINESS – MEETING DATES FOR COUNCIL and COMMITTEE

Mayors Trotman and Goener announced that the Governing bodies will jointly meet on July 25, 2011 at Township Hall commencing at 7:00 p.m. to consider the Commission's recommendation.

PUBLIC COMMENT

Two members of the public came in after the Public Comments portion of the agenda; therefore, Mayor Goerner suggested we hear from the public at this time.

Marvin Reed, who serves on the NJ Local Unit Alignment, Reorganization and Consolidation Commission stated that LUARCC will be having a meeting in Trenton on June 23, 2011 and several members of this Commission have been invited to join Mr. Reed because the Princeton Consolidation Study will be one of the items on their agenda. They are mainly interested in the process the Commission went through and whether it was possible within a one (1) year timeframe to do the amount of work accomplished. Also, Mr. Reed has seen other consolidations within other municipalities and nothing is as thorough as what Princeton has presented. The DCA report reiterates this by Ms. Phyllis Persicketti

saying that “the amount of effort that was put into the Princeton Report by CGR and DCA combined is amazing”. The integration of the DCA Analysis with the CGR Options Analysis is

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what shines. Mr. Reed commends the DCA Report because it points out what happens to the school district budget and county. Since all of the analysis is completed, it will only work if everyone works together and reduces the cost of government in the municipality, which the report demonstrates can be done, per Mr. Reed. Another agenda item at the LUARCC meeting will be the bill which is currently pending before the Legislature which states that the power of LUARCC will be strengthened. The budget would be restored and LUARCC will be able to take a more active role in encouraging shared services and consolidations.

11. ACKNOWLEDGEMENTS

Valerie Haynes, Vice Chair said that Chair Lahnston would like to thank everyone for their hard work and commitment to the task of the Commission - every member of the Commission participated fully and contributed to the final report approved this evening. Chair Lahnston particularly asked that the Commission acknowledge our gratitude for the expertise and hard work provided by Pat Simon on the additional financial considerations and Bill Metro on the police recommendation.. Ms. Haynes also thanked Eugene McCarthy and Joe Stefko for all their hard work and coordination which resulted in a very clear and comprehensive report on the financial aspects of a Princeton consolidation which will inform the discussion of the Commission's recommendations in the coming months.

12. ADJOURNMENT

No other business came before the Committee; therefore, the meeting was adjourned at 9:50 p.m.

Respectfully Submitted,

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Approved: July 20 2011