

**BOROUGH OF BLOOMSBURY
COUNCIL MEETING MINUTES
MARCH 30, 2011**

The Budget meeting of the Mayor and Council was held on March 30, 2011 at Borough Hall, 91 Brunswick Avenue, Bloomsbury, New Jersey. The meeting was called to order at 6:02 PM by the reading of the Sunshine Law by Lisa Burd.

As required by the Open Public Meetings Act of 1975, adequate notice of this meeting was provided on March 19, 2011 by the Publication of said notice in the Hunterdon County Democrat and the posting of said notice in the Municipal Building on the same date.

ROLL CALL:	Chris James	Martha Tersigni
	Vicky Papics	Eric Weger
	Steven Shelton - absent	Mark Peck, Mayor

FLAG SALUTE

2011 BUDGET

Mr. Schroeder provided Council with preliminary projected 2011 tax rate worksheets. Council reviewed the same. Discussion followed.

He explained that in order to balance this year's budget, we must use \$145,000 of the reserve for sale of municipal assets money received from the sale of the water company in 2010. He further explained that at this rate, in two years, this non recurring money will be gone. He suggested that we increase the capital improvement fund by \$75,000 in this budget, which will increase the tax base. Mr. Schroeder stated that next year, we could then lower the capital, but keep the same tax rate and lower the use of our sale of municipal assets money by that same \$75,000.

He stated that he didn't want to try to replenish the whole \$145,000 because we have some positive things happening including one lien which has been redeemed and that goes into fund balance, and then hopefully they will go back onto the tax roles, and that will then lower the reserve for uncollected taxes.

Mr. Schroeder explained that if we assume the School tax stays the same, and the County goes up by 5%, then the addition of the \$75,000 to the capital would result in an annual increase of \$339.00 for an average home assessed at \$300,000. Without the inclusion of the \$75,000, the increase would be \$135 annually for the same home. Discussion followed.

Mr. Schroeder said that if we don't do this, that in 2013 we will run out of money and we would have to cut the 145k out of the budget, go for referendum of the voters and if that fails, then we

default and go into receivership. He said he knows that no one wants to raise taxes, but if we don't increase our base now, we will not have the chance to do it again.

He noted that even with the increase, the statewide average for municipal taxes was \$7,500 last year, and we would be at \$6,600, which is below the state average.

Discussion followed.

Council members voiced concern about the impact of this increase on property owners during this difficult economic time. Mr. James stated that he would like to review individual line items to see what additional cuts can be made.

Mr. Schroder cautioned Council that reduction in allocations in the budget. He explained that the problem with controlling expenses is that one way to replenish fund balance is by using what you lapse from the budget that you don't spend, so as we tighten the budget, we lapse back less. Mr. Schroder also stated that the Borough is \$27,000 under the spending cap.

Mr. Weger stated that although he is concerned about the increase, he did not believe there is any choice. He said that he does not believe that further cuts to individual line items will save what we need. Discussion followed.

Mr. James stated that he feels that \$75,000 increase is too great and would like to try to find a way to make additional cuts on line items and meet in the middle. Discussion followed.

Mayor Peck encouraged Mr. James and all Council members to review the budget and provide recommendations for additional cuts at the April Council meeting. Mr. James said that if the appropriations can be cut by \$10,000, that would be cutting \$10/year per household, or about \$1 per month. Mr. Schroeder stated that although he understands Mr. James concerns, but that by reducing the fund balance to help this year, it will have to be made up next year.

Mr. Schroeder explained that it could be argued that our taxes are too low for our operations, that people have been getting the benefit of paying less, and although now with the economy being what it is, it is the worst possible time for an increase, but we need to get it up to where it should be.

Mayor Peck reminded Council that at the February meeting, he asked the Mr. Edleston to look into the creation of a fire district - but this would likely lead to increase cost for the residents with increased beurocracy.

Council discussed the possibility of eliminating garbage services, having each property owner be responsible for their own garbage hauling, or imposing a fee for the service. Council agreed that these options would just change the name, not reduce the cost.

Council discussed the continued need for groups to provide budget information to Council as required so that decisions can be made.

PUBLIC COMMENT

Mr. James moved Council open discussion to the public; seconded by Mrs. Papics. No Comment. Mr. James moved Council close public discussion; seconded by Mrs. Papics.

ADJOURNMENT

There being no further business, a motion to adjourn was made by Mrs. Tersigni; seconded by Mr. Weger. All ayes, motion carried. Meeting adjourned at 6:52 PM.

Respectfully Submitted,

Lisa A. Burd, RMC
Borough Clerk/Administrator