

**Pennington Borough Council  
Budget Work Session Meeting – January 30, 2024**

Mayor Davy called the Budget Work Session Meeting of the Borough Council to order at 7:00 pm. The meeting was held via Zoom. Borough Clerk Betty Sterling called the roll with Council Members Chandler, Gnatt, Marciante, Stern and Valenza in attendance. Ms. Angarone arrived after the roll call.

Also present were Borough Clerk Betty Sterling, Borough Attorney Walter Bliss, Borough Administrator Donato Nieman, Administrative Coordinator Mona Habiby, Chief Financial Officer Sandra Webb, Public Works Superintendent Rick Smith and Police Chief Doug Pinelli.

Mayor Davy announced that notice of this meeting has been given to the Hopewell Valley News, Trenton Times and was posted on the door at Borough Hall and on the Borough web-site according to the regulations of the Open Public Meetings Act.

**Open to the Public**

Mayor Davy read the following statement.

The meeting is now open to the public for comments. In an effort to provide everyone interested an opportunity to address his or her comments to the Governing Body, a public comment time limit has been instituted for each speaker. **Please raise your hand and when the Borough Administrator acknowledges you state your name and address for the record. Please limit comments to the Governing Body to a maximum of 2 minutes.**

There were no attendees from the public.

**DISCUSSION OF 2024 BUDGET**

Mayor Davy asked Chief Financial Officer, Sandra Webb to present the 2024 budget. Mrs. Webb stated that this a very preliminary overview of the budget as it stands today and it needs input from Council. Mrs. Webb stated that this proposal shows a 6 cent increase and she knows that is not where we will end up, but we need input from Council as to where cuts can be made to bring the tax rate down. Mrs. Webb began with a discussion of the proposed revenues and stated that at the end of 2023 the surplus is showing a decrease of \$100,000 from the prior year and we are looking into why that might have happened. Mrs. Webb stated that this budget is showing using about the same in surplus for 2024. Mrs. Webb stated that the fees and permits are consistent with last year because we are not allowed to anticipate more than we collect in the prior year and each year we max out the revenues anticipated which does not allow for any room to realize additional surplus. Mrs. Webb discussed the line for delinquent taxes but stated that we are lucky that residents in Pennington are paying their taxes. Mrs. Webb stated that interest on deposits is up thanks to the Bank increasing our percentage for interest and we hope that stays the same. Mrs. Webb briefly discussed other fees including trash sticker fees. Mrs. Webb stated that State Aid remains the same and it has been unchanged for several years. Mrs. Webb stated that for the past couple years we have collected a little more but the State has indicated that we probably won't see that again this year. Mrs. Webb spoke about the construction fees and how we have to be careful that the revenues collected are supposed to offset the expenditures. Mrs. Webb stated that she and Betty will look at those numbers to see if there is any way to increase that revenue. Mrs. Webb stated that the Borough has been bringing two revenues in over the past three years totaling about \$100,000 and those are no longer available for this year but we did cancel some ordinances that were funded that provided some funds in the Capital account that we might be able to bring in as a revenue over the next couple years. Mrs. Webb stated that last year we brought in \$100,000 from Water/Sewer surplus and we knew last year that we would be hard pressed to remove this once it is brought in to the budget. Mrs. Webb stated that we have it in again this year but she would not recommend increasing this amount. Mrs. Webb briefly reviewed grants and the Shared Service Agreement for the Senior Center. Some discussion took place regarding what the tax rate will be and what the increase will be to an average tax payer. Mrs. Webb stated that she did not do that calculation for this presentation because it is premature and she did not want to put numbers out there when we know that we will not end up with a six cent tax increase. Mrs. Webb stated that she is hoping that come cuts can be made on the appropriation side to bring the tax rate down. Mrs. Webb briefly touched on water/sewer revenues and she stated that the water/sewer utility is in good shape thanks to the rate increase that was done a couple years ago. Some discussion took place with regard to a water/sewer rate increase for 2024. Mrs. Chandler stated that Sherry Tracey of Phoenix Advisors is working on updating the capital projections that she prepared to see if we should do a rate increase for 2024.

Mrs. Webb reviewed budget appropriations for 2024 as to where increases and decreases took place. Mrs. Webb stated that there is not a lot to look at here because a good amount of the budget is out of our control including salaries, health benefits, pension costs etc. Council discussed specific line items of the budget including Planning Board Master Plan expenses, engineering, legal fees. Some discussion took place regarding items that could be considered as capital items. Mrs. Webb stated that we are struggling to bring this budget down and we don't have a lot of options unless we capitalize some items and do a note to fund the projects. Mrs. Chandler had concerns about doing this as we are trying to get a handle on capital spending going forward. Mrs. Webb reviewed debt service and the costs involved with doing a bond sale.

Mrs. Webb explained that we have tried over the past couple of years to fund ordinances in the budget so that in a couple of years the project is fully funded without having to borrow and she would recommend continuing that trend however she is tired of fighting to keep the funding in so if Council wants to reduce or remove the amount she will do it but she does not recommend it.

Mrs. Webb briefly reviewed the water/sewer budget and stated that we have included some funding that will be moved to capital to begin funding some of the Asset Management Projects and Lead Line replacements that need to be done. Ms. Angarone stated the importance of investing in the infrastructure to provide safe drinking water.

Mrs. Webb stated that she is waiting for the Auditor to provide the Annual Financial Statement and we are still hoping to introduce the budget at the March Regular meeting. Mrs. Webb stated that we will continue to work with the Finance Committee and Sherry Tracey to get this budget in shape for introduction.

**Public Comment**

Mayor Davy asked that anyone wishing to speak, please raise your hand so the Borough Clerk can acknowledge you, please state your name and address for the record and limit comments to the Governing Body to a maximum of 3 minutes.

There were no comments from the public.

At 8:0 pm, Council Member Valenza made a motion to adjourn the Work Session Meeting, second by Council Member Chandler with all members present voting in favor.

Respectfully submitted,

Elizabeth Sterling  
Borough Clerk