

February 4, 2017

The special meeting of the Town Council of the Town of Newton was held on the above date at 9:00 a.m. Present were Deputy Mayor Levante, Mr. Elvidge, Mr. Flynn, Mrs. Le Frois, Mayor Diglio and Town Manager, Mr. Thomas S. Russo, Jr. Also present were Ms. Dawn Babcock, CFO, Mrs. Ginny Raftery, Treasurer and Jennifer Dodd, Human Resources Director.

Mayor Diglio made the following declaration that "in accordance with the Open Public Meetings Act, notice of this special meeting was given to the two newspapers of record and posted on the official bulletin board on January 30, 2017."

COMMENTS BY TOWN AUDITOR

Mr. Tom Ferry, Town Auditor, addressed the Council and outlined Newton's financial status. He indicated the only change set forth by the State was the format of the budget, which he feels is not user friendly. He provided some financial advice and stated the fund balance is in good shape.

Mr. Ferry advised Council the Newton budget and tax levy as proposed represents the municipal taxes on an average assessed home **in 2016 of \$2,678** and will go up to **\$2,713 in 2017** which is an increase **of \$3 a month** or about .10 cents a day.

Mr. Ferry noted:

The current ratio for the **2017 Tax Year** is: 97.07%

The prior year ratio for 2016 was: 97.68%

He recommended that a Resolution be prepared to use a three-year averaging for tax collection.

Mr. Ferry outlined the financial status of the Newton Water and Sewer budget. He was pleased to announce this budget is supported by customer billings and does not require property tax revenues to meet financial obligations. The Water and Sewer budget is proposed at **\$4,432,000 for the 2017 year**. The Water and Sewer budget provides service to **2,651 accounts**.

Mr. Ferry reviewed the 2% levy cap and the appropriations cap. He recommended the Town adopt the Ordinance allowing the Town to exceed the 2017 Municipal Budget appropriation limits and to establish a cap bank. It provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations.

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Mr. Ferry reviewed the results of the 2016 Operation Current Fund balance with an ending surplus balance of \$2,248,535.00 prior to using any funds toward the budget.

Mr. Ferry also reviewed the Annual Debt Statement.

Mr. Ferry noted Newton is the County Seat and has approx. 33% tax-exempt properties.

After a lengthy discussion, Mr. Russo and the Governing Body thanked Mr. Ferry for his presentation.

TOWN MANAGER'S REVIEW OF BUDGET SUMMARY

The Town Manager began review of the budget summary and outlined from page 1 through page 7.

Ms. Babcock reviewed the 2017 Cap Calculation.

Mr. Russo addressed the Fund Balance and noted this budget reflects a strong Fund Balance and is very important.

Mr. Russo reviewed the 2017 Revenue budget.

Mr. Russo then proceeded to review the 2017 Expenditure budgets with various department budgets. He outlined the Town Manager's budget; Town Clerk's budget; Elections budget; Town Council budget; Human Resources budget; Finance Administration budget; Assessment of Taxes budget; Collection of Taxes budget; Legal Services budget; Municipal Court budget; Planning/Zoning Admin. budget; Historic Commission budget; Community Development budget; Employee Group Insurance; and various insurances costs. Ms. Babcock reviewed the aid to First Aid Organization contribution; Inspection of Buildings; Code Enforcement; OEM budget; Vehicle Maintenance budget; and Board of Health budget. Mr. Russo reviewed the celebration of Public Events; Senior Citizen Program; various Interlocal budgets; and other various contributions. In addition, he reviewed Public & Private Programs; Capital Improvements; Debt Service payments; Deferred Charges; the Statutory Expenditures; as well as the Reserve for Uncollected Taxes (RUT).

Ms. Babcock reviewed the Debt Service with the Town Council.

Throughout the budget meeting, the Town Council asked questions which were addressed by Mr. Russo and Ms. Babcock.

BREAK – 5 mins.

DPW BUDGET REVIEW AND CAPITAL PROJECTS

Ken Jaekel, DPW Director, and Adam Vough, Assistant DPW Director were present to review their budgets. Also present was Harold Pellow, Town Engineer.

At this time, Mr. Jaekel reviewed and outlined the various Department of Public Works (DPW) budgets. The Council had several questions which were addressed by Mr. Jaekel, Mr. Vough and Ms. Babcock.

Mr. Russo, Mr. Jaekel and Mr. Vough outlined the capital improvement expenditures requested in this budget.

Mr. Russo and Council thanked DPW for their presentations.

At this time, Deb Danielson, Recreation Supervisor, outlined the Recreation budgets. She fielded questions from the Town Council.

Mrs. Danielson outlined the various programs and events run under the Recreation program. She reviewed the capital improvement projects.

Councilman Elvidge inquired about solar power for Utility Poles and Mr. Russo will inquire with JCP&L.

Harold Pellow, Town Engineer, outlined the road improvements for Liberty Street and Madison Street to be completed this year.

Mr. Jaekel outlined additional capital improvements: Rail Trail and DPW Wells.

Dave Simmons, Water Engineer, outlined the Paulinskill Dam Site #2 project (located on Swartswood Road). He advised he recently obtained the NJDEP permit for the project and outlined the necessary steps to complete same.

Mr. Jaekel updated Council on the replacement of the backhoe and garage doors for DPW.

WATER & SEWER BUDGET REVIEW AND CAPITAL PROJECTS

Mr. Jaekel updated Council on the replacement of the backhoe; Chevy pickup and garage doors for DPW.

Dave Simmons, Water Engineer, and Joe Carr, Sewer Operator, outlined the steps and scope of the Morris Lake Gatehouse. No determined date for this project.

Mr. Jaekel provided photos and updated Council on the Sussex Street Pump Station at the Water Treatment Plant.

John Scheri, PE, of Mott & MacDonald, Sewer Engineer, updated Council on the Baseline Gravity Sewer Condition Assessment program. He outlined the procedures

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and need for this program.

Mr. Scheri also updated Council on the proposed Sparta Avenue Pump Station upgrade.

Mr. Russo continued with the 2017 Revenue budget as well as the 2017 Expenditures budget for Water/Sewer.

Council asked several questions which were addressed by Mr. Carr, Mr. Jaekel, Mr. Vough and Mr. Simmons.

Council thanked the Water & Sewer professionals and personnel for their presentation.

OPEN TO THE PUBLIC

Mayor Diglio opened the meeting to the public.

Neil Flaherty, 154 Sparta Avenue, thanked Mr. Russo and administration for a thorough job on the budget. He suggested numbering the line items for easier retrieval. Mr. Flaherty addressed concerns regarding the increase in insurance premiums which was addressed by Mr. Russo and Ms. Babcock. He also questioned the shared recreation equipment which Mr. Russo will revisit with the Recreation Supervisor.

COUNCIL & MANAGER COMMENTS

Mr. Russo outlined the agenda for the next budget meeting on Thursday, February 9th.

There being no further business to be conducted, upon motion of Mrs. Le Frois, seconded by Deputy Mayor Levante and unanimously carried, the meeting was adjourned at 12:40 p.m.

Respectfully submitted,



Lorraine A. Read, RMC
Municipal Clerk