

February 9, 2019

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 Mr. Dickson, Mrs. Diglio, Deputy Mayor Flynn, Mayor Le Frois 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. Mr. Schlaffer was excused.

Mayor Le Frois 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 28, 2019."

COMMENTS BY TOWN AUDITOR

Mr. Tom Ferry, Town Auditor, addressed the Council and outlined Newton's financial status. He distributed a "Cheat Sheet" outlining Newton financial's position. Mr. Ferry stated his frustration with the State and F.A.S.T. system which is still an extremely slow process with many issues. Mr. Ferry is preparing paper copies in case the State doesn't get the budget module up and running.

Mr. Ferry then provided some financial advice and stated the fund balance is in good shape with an increase of **\$366,631.46** over last year.

Mr. Ferry reviewed the Reserve for Uncollected Taxes ("RUT") and suggested for budget purposes the Town should use a three – year average on the Tax Collection rate which would be **98.23%**.

Mr. Ferry advised Council the Newton budget and tax levy as proposed represents the municipal taxes on an average assessed home **in 2018 of \$2,731.12** and will go to **\$2,742.77 in 2019** which is an increase **of \$.97 a month**.

Mr. Ferry outlined the financial status of the Newton Water and Sewer budget. He stated the fund balance increased by **\$229,469.86**. This was done by design with the rate increase a couple of years ago, resulting in an increase in Results of Operations. Deputy Mayor Flynn questioned how the Results of Operations is calculated. Mr. Ferry explained this is calculated by excess revenue minus expenditures.

Mr. Ferry reviewed the Town's Current Fund net debt. The Water Sewer Utility is self-liquidating and is not included in the net debt. The Town has been paying off its net debt and it is down from the 2014 level. Deputy Mayor Flynn asked for a long-term plan of action to go debt free. Mr. Ferry explained we refunded our bonds in 2012 and they

cannot be paid off early. However, in the future he recommends paying off bond anticipated notes within 10 years by paying 10% each year.

Mayor Le Frois stated she would like the Town to be very aggressive in seeking grant monies, and her fellow Council members agreed.

Mayor Le Frois asked Mr. Ferry how he felt Newton's financial state was at this time. Mr. Ferry stated Newton is in great shape, the Manager and CFO keep a tight ship and he is very pleased with what he sees.

After a lengthy discussion, Mr. Russo and the Governing Body thanked Mr. Ferry for his presentation. Mayor Le Frois opened the meeting to the public to see if they had any questions for Mr. Ferry. At this time, no one came forward; Mayor Le Frois closed the meeting to the public.

TOWN MANAGER'S REVIEW OF BUDGET SUMMARY

Mr. Russo stated we have been videoing the meeting; unfortunately the audio was not working during Mr. Ferry's portion.

Mr. Russo then proceeded to review the budget, noting after further review of other Towns, for the Council salaries he recommends changing it to be a flat rate of \$4,000 for each Councilmember split between Current and Water/Sewer budget. This follows a similar model of Hardyston Township. Mayor Le Frois explained there has not been a significant increase for Council in many years and we have been watching what other municipalities are doing. All Councilmembers present offered their support of the change recommended.

Mr. Russo stated the \$55,000 for the Planning Department document scanning project will be deferred, and he questioned if the money should instead go towards debt. All members present agreed it should be put toward debt.

Mayor Le Frois stated we would take a brief break at this time.

DPW / RECREATION BUDGET REVIEW AND CAPITAL PROJECTS

Adam Vough, Assistant DPW Director, Rick Straway, Road Supervisor and Michelle Estremera, Recreation Supervisor, were present to review the DPW/Recreation Budget and address Capital Improvement projects.

Mr. Vough stated overall 2018 was a decent year. It has been extremely wet and many storm drains need repairs. The crew is getting along well and things are looking good.

February 9, 2019

Mrs. Diglio questioned if the Town is planning on hiring part-time help to assist Public Works for the summer. Mr. Russo stated he is looking into it. Mayor Le Frois noted the increase in the Education/Training line item. Mr. Vough explained he has had some of the guys express interest in taking classes.

Mr. Dickson asked if Mr. Vough is comfortable with the amount in the budget for storm drain repairs. Mr. Vough advised some of the costs will be covered in the capital budget.

A discussion ensued on road paving and Deputy Mayor Flynn questioned if the Public Works crew are able to do this work themselves. Mr. Russo and Mr. Vough said they could certainly look into this possibility for 2020.

Mayor Le Frois commented on the November snow storm and thanked our Public Works crew for their outstanding job in clearing the roads in Newton as she sat on the state highway for hours speaking to the Governor's office.

Mayor Le Frois welcomed Michelle Estremera, Recreation Supervisor at this time. Ms. Estremera stated she just started in this position and things are going well. She has met with the Recreation Commission in December and January and there are a few events already planned. The Spring Senior Luncheon is March 24th, the Easter Egg Coloring is April 12th, and the Egg Hunt is April 13th. All these events will be held at Newton High School.

Next up for discussion, are the capital projects for Public Works and Recreation. Mr. Vough explained the need for the pipe/basin/storm water repairs. Mr. Straway offered up an explanation of the request for a new skid steer. Currently the skid steer we have has over 4,000 hours of use on it and it has tires. The new one would be a track system with several attachments. A brief discussion took place on the benefits of acquiring a new skid steer. Next, Mr. Vough and Mr. Straway gave an overview of the condition of the various fields and the need for basic improvements, including fencing and engineering.

At this time, Ms. Estremera explained the condition of the pool. In January Ms. Estremera took a walk around the pool and took several photos which she shared with Council. She went on to say she had an expert come out and take a look. They are the same vendor that did the re-plaster work. They recommend re-plastering the whole pool. She went to explain there is a leak in the pool where it is estimated over a three-

week period over 100,000 gallons were lost. A long discussion amongst everyone regarding membership, revenues, expenditures, weather and the cost to make necessary repairs took place. Due to the severity of the repairs and the short-time until the 2019 season is to begin, the Councilmembers present agreed to close the pool for the upcoming season, and hire a professional engineer to review the current facility and its need for renovation. Mayor Le Frois instructed Mr. Russo to send letters to past members, the swim team and seasonal staff as soon as possible to advise them of the closing.

BREAK

Ms. Babcock confirmed she is being instructed to take the Salary and Wages for the pool out of the 2019 budget but leave in the operating to pay for the engineering. Also, take the \$250,000 proposed capital expenditure for the pool out of the budget.

Ms. Babcock recommends when taking out the \$55,000 out of the Capital Improvement Fund for the Planning document scanning to place it in the first line item on page 40. This line item is used for down payments on debt. Council discussed this briefly and instructed Ms. Babcock place \$15,000 in the CIF line; the remaining \$40,000 should be used to fully fund the pipe/basin/storm water repairs removing it from the debt expenditure for 2019.

WATER & SEWER BUDGET REVIEW AND CAPITAL PROJECTS

Mr. Russo, Mr. Vough and Joseph Carr, Licensed Operator reviewed the Water & Sewer Budget and addressed questions of the Town Council. Mayor Le Frois asked for an update on a previous conversation regarding chemicals and their costs. Mr. Carr stated we recently went out to bid for chemicals, and the Town should see a decrease in costs.

Dave Simmons, Water Engineer outlined proposed 2019 projects: Upgrades to Programmable Logic Controllers (PLC's) and Upgrades to the SCADA System. The equipment at Morris Lake is about 10-15 years old and is outdated and not supported any longer. Mr. Simmons reviewed the price quotes on both the projects which will update the hardware and software and answered a few questions from the Council.

Deputy Mayor Flynn suggested a public open-house on a Saturday in the spring at the Morris Lake Filtration Plant to be led by the Water Department staff and have Mr. Simmons give a tutorial to inform residents on where Newton's water comes from. Mr.

February 9, 2019

Dickson reiterated this was a great idea and Mayor Le Frois concurred and offered getting local students involved. Mr. Russo and Mr. Simmons will coordinate a date.

Fred Margron, PE, of Professional Consulting Inc., Sewer Engineer, and Joe Carr, Licensed Water & Sewer Operator updated Council on various projects: Grit Collector replacement, Sparta Avenue Pump Station replacement; Sludge Digester conversion/replacement; and Sludge Pump replacement.

Mr. Margron stated the goal is to go out to bid before the summer for the Grit Collector replacement. The Sparta Avenue Pump Station replacement is the most critical of the projects proposed. The Council asked several questions which were addressed by Mr. Carr, Mr. Vough, and Mr. Magron. A discussion took place on the options for funding these projects either by bonding, funding through NJIB or fully-funding the projects. Mr. Russo and Ms. Babcock will consult with Mr. Margron during his weekly phone call on Wednesday and report back to the Council. Mr. Russo advised our engineers need to work with our Qualified Purchasing Agent on the bid process.

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

COUNCIL & MANAGER COMMENTS

Mayor Le Frois reviewed the timeline for the budget stating we are currently looking at an introduction at the end of February or early March.

Mr. Russo stated he and Ms. Babcock will work on it and get it done as soon as possible.

Mr. Flynn stated he will not be available for the meeting Monday night. Mayor Le Frois reminded the Council of the Executive Session this Monday beginning at 6:30pm. Mr. Flynn stated he will try to dial in for the Executive Session.

OPEN TO THE PUBLIC

Mayor Le Frois opened the meeting to the public.

Michael Malone, Trinity Street, stated he is in favor of the proposed open-house at the water filtration plant. He offered a suggestion of having the high school or college students' video the tutorial and post it on the Town's website for those that cannot attend. Mayor Le Frois thanked him for this great suggestion. Mr. Malone went on further to voice his concerns about the subsoil around the pool being soft. Mayor Le Frois acknowledge Mr. Malone's concern and advise we are taking the year to do a full

February 9, 2019

assessment of the pool.

Neil Flaherty, 154 Sparta Avenue, thanked Mr. Russo and his team for a thorough job on the budget. He agreed with the shutdown of the pool for the season and asked the Council to consider if the pool leaking contributes to the flooding of the fields. He also suggested he would be in favor of permanently closing the pool and repurposing the area.

Susan Mallory, 154 Sparta Avenue questioned all the work that has been done on the pool. She endorses taking a break this year and "do it once - do it right". She like Mayor Le Frois suggestion to get students involved to make this an opportunity to teach our youth.

There being no further business to be conducted, upon motion of Mrs. Diglio, seconded by Mr. Dickson and unanimously carried, the meeting was adjourned at 12:42 p.m.

Respectfully submitted,



Teresa Ann Oswin, RMC
Deputy Municipal Clerk