

February 8, 2020

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, Mr. Flynn, Mr. Schlaffer, Mrs. Le Frois Mayor Diglio, and Town Manager, Mr. Thomas S. Russo, Jr. Also present were Mrs. Monica Miebach, CFO, Mrs. Ginny Raftery, Treasurer, Kat Walker, Jennifer Dodd, Human Resources Director, and Terri Oswin, Deputy Clerk/Administrative Assistant.

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 February 5, 2020."

#### **COMMENTS BY TOWN AUDITOR**

Mr. Tom Ferry, Town Auditor, addressed the Council and outlined Newton's financial status. He further outlined the State's recent Local Financial Board Notice regarding the budget.

Mr. Ferry indicated the Town is not self-exam this year.

Mr. Ferry then provided some financial advice and stated the fund balance, **\$2,832,783.21**, is in good shape.

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 **98.07%**.

Mr. Ferry advised Council the Newton budget and tax levy as proposed represents the municipal taxes on an average assessed home **in 2019 of \$2,730.10** and will go to **\$2,777.25 in 2020** which is an increase **of \$3.93 a month**.

Mr. Ferry outlined the financial status of the Newton Water and Sewer budget. He stated the fund balance increased by **\$960,476.80**. A majority of this increase is based on the cancellation of a \$303,000.00 reserve for the special emergency of Sparta Glen (due to Hurricane Irene). He noted the Town has major Water/Sewer projects coming up and the fund balance will be used for these projects.

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. Mr. Ferry noted he is working with financial advisors and indicated the plan is to continue to pay down the debt each year. Mr. Ferry also outlined the net debt and advised the 2019 net debt percentage is 2.25%.

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

for his presentation.

**TOWN MANAGER’S REVIEW OF BUDGET SUMMARY**

Mr. Russo then began the review of the 2020 budget document noting the appropriations; reserve for uncollected taxes/tax appeals; and health care coverage. He reviewed the revenues in support of the budget.

Mrs. Miebach indicated a change in the Water/Sewer budget total proposed is \$4,947,522.00 (instead of \$4,644,480.00). The Town provides service to 2,687 accounts.

Mr. Russo continued to review each page of the budget document and addressed all questions of the Mayor and Town Council.

Mr. Russo noted the fiscal facts: The property tax is divided among the Newton Board of Education, Town of Newton, County of Sussex, County Library, and County Open Space. The chart below illustrates the percentage that each of the jurisdictions received in 2019 from the average taxpayer in the Town.

Newton Board of Education	50.28%	\$2.155
Town of Newton	34.46%	\$1.477
County of Sussex	14.21%	\$ .609
County Library	.98%	\$ .042
<u>County Open Space</u>	<u>.07%</u>	<u>\$ .003</u>
<b>Total</b>	<b>100.0%</b>	<b>\$4.286 per \$100 of assessed value</b>

Mr. Russo then reviewed the tax rate history document which shows the tax figures from 2007-2020.

A lengthy review continued with the Revenue Budget 2020 for various departments within the Town of Newton.

Mayor Diglio requested to take a short break.

**BREAK** – 10 minutes.

**DPW/RECREATION/WATER & SEWER BUDGET REVIEW**

Adam Vough, Assistant DPW Director, Rick Straway, Road Supervisor, Ken Jaekel, DPW Director, Joe White, Sewer Repairer, and Sherri Kaylani, Recreation Supervisor, were present to review the DPW, Water & Sewer, and Recreation budgets as well as address the Capital Improvement projects.

Councilwoman Le Frois noted she is pleased with Mrs. Kaylani becoming the new Recreation Director.

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Mr. Russo outlined the plan for the Municipal pool opening this summer. He announced, Newton residents will not be charged for the pool season 2020, due to the loss of the pool season in 2019. He feels this is a nice gesture because of the inconvenience to Newton residents last year. Council was in agreement with the proposed suggestion of Newton residents attending the Newton pool for free for the 2020 season.

Next up for discussion were Ken Jaekel and Adam Vough for Public Works and Water/Sewer budget and the Capital Improvement projects.

Mr. Jaekel outlined the duties of the administrative team at the Sewer Treatment Plant.

Councilwoman Le Frois questioned the fishing permits issued and the boat used. After a brief discussion, it was noted the boat was damaged this year, due to the ice storm and will be replaced prior to the fishing season at Morris Lake.

Mr. Vough also outlined upcoming DPW projects as well as the Capital Improvement projects.

Mr. Russo also outlined the various items of the Capital Improvement projects set for the 2020 calendar year.

**BREAK** – 10 minutes.

#### **POLICE DEPARTMENT BUDGET REVIEW**

At this time, Chief Osborn and Lt. Van Nieuwland came forward to review and outlined the police budget.

Chief Osborn explained and reviewed the capital budget request items which would upgrade the in-car computers as well as the breathalyzers.

After a lengthy discussion, Mayor Diglio thanked Chief Osborn and Lt. Van Nieuwland for coming in and reviewing his budget.

Chief Osborn thanked his administration as well as the Town administration for all their assistance with the transition of becoming the newest Chief of Police.

#### **FIRE DEPARTMENT BUDGET REVIEW**

Chief Verkon, Deputy Chief Razzano, and Fire Lieutenant Miller came forward and outlined the Fire Department budget and explained the capital improvement items requested.

After a lengthy discussion, the Governing Body had questions that were

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addressed by Chief Verkon, Deputy Chief Razzano, and Lt. Miller.

Mayor Diglio thanked the firemen for coming in and presenting their budget.

**OPEN TO THE PUBLIC**

Mayor Diglio opened the meeting to the public.

No one from the public addressed the Council.

**COUNCIL & MANAGER COMMENTS**

Councilwoman Le Frois asked if the proposed budget figure of \$47.00 increase, based on the value of the average assessed home at \$185,150.00, could be closer to \$40.00. The majority of the Council agreed with the proposal of getting the increase to \$40.00 on the average assessed home of \$185,150.00.

Mr. Russo stated he will review the budget and work with Mrs. Miebach on said request.

After a brief discussion, Mayor Diglio thanked Tom and his team for their due diligence on the 2020 Municipal budget.

There being no further business to be conducted, upon motion of Mrs. Le Frois, seconded by Mr. Schlaffer and unanimously carried, the meeting was adjourned at 12:31p.m.

Respectfully submitted,



Lorraine A. Read, RMC  
Municipal Clerk