

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. Elvidge, Mrs. Diglio, Mrs. Becker, Deputy Mayor Diglio, Mr. Levante, Mayor Flynn and Town Manager, Mr. Thomas S. Russo, Jr. Also present were Mrs. Debra Millikin, Deputy Town Manager, Ms. Dawn Babcock, CFO, Mrs. Ginny Raftery, Treasurer and Jennifer Dodd, Human Resources Director.

Mayor Flynn 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 21, 2016.”

**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 2015 of \$2,625 and will go up to \$2,745 in 2016 which is an increase of \$10 a month or about .33 cents a day. Mr. Ferry noted:

The current ratio for the **2016 Tax Year** is: 97.67%.

The prior year ratio for 2015 was: 96.54%

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 \$3,973,600 for the 2016 year, a decrease of \$54,400.

Mr. Ferry reviewed the 2% levy cap and the appropriations cap. He recommended the Town adopt the Ordinance allowing the Town to exceed the 2016 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.

Mr. Ferry feels that County Seats should get more State Aid because of the tax-exempt properties. Mr. Russo noted Newton is currently 32 percent 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 briefly indicated he would skip over his typical outline from page 1

through page 12, unless there were any questions. With no questions addressed, Mr. Russo provided an overview of the 2016 Revenue Budget for Current Fund.

Mr. Russo and Ms. Babcock addressed questions regarding the 2016 Revenue budget.

Mr. Russo then proceeded to review the 2016 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; Board of Health budget; Recreation budget and Swimming Pool budget. Mr. Russo distributed an amended page for various budget updates. He 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).

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.

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

Mrs. Millikin addressed questions regarding the dams maintained by DPW.

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

Throughout the budget, Council reviewed various areas and directed Mr. Russo to decrease from the proposed areas of the budget.

Mr. Russo and Council thanked DPW for their presentations.

**WATER & SEWER BUDGET REVIEW AND CAPITAL PROJECTS**

Mrs. Millikin, Deputy Town Manager, Joe Carr, Sewer Operator, Tony Gagliostro, Consulting Engineer of Hatch Mott MacDonald and Dave Simmons, W/S Engineer were present. Mrs. Millikin outlined the 2016 Water & Sewer Utility budget which includes the operating budget. Mrs. Millikin also outlined and reviewed the anticipated 2016 capital expenditures.

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Council asked several questions which were addressed by Mrs. Millikin, Mr. Gagliostro and Mr. Carr.

Mr. Simmons updated the Council on the water allocation permit issued by Department of Protection (NJDEP). He was pleased to report that the system is working tremendously, with minimum leakage, due to the hard work of the water and sewer staff.

Council thanked the Water & Sewer personnel for their presentation.

**OPEN TO THE PUBLIC**

Mayor Flynn opened the meeting to the public.

Neil Flaherty, 154 Sparta Avenue, questioned the Recreation contributions given to the various Newton sport organizations and suggested this contribution be eliminated from the Municipal budget. Mr. Russo will verify the breakdown to the various organizations to forward to the Town Council.

**COUNCIL & MANAGER COMMENTS**

Mayor Flynn suggested the Governing Body bring any discussion items to the next Council meeting on Monday night.

There being no further business to be conducted, upon motion of Mr. Elvidge, seconded by Mr. Levante and unanimously carried, the meeting was adjourned at 12:47 p.m.

Respectfully submitted,



Lorraine A. Read, RMC  
Municipal Clerk