

February 05, 2011

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, Mr. Ricciardo, Mrs. Le Frois, Mrs. Diglio, Mayor Becker and Town Manager, Mr. Thomas S. Russo, Jr.

Mayor Becker 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 19, 2011."

TOWN MANAGER'S REVIEW OF BUDGET

Mr. Russo first updated Council on a few follow-up items which were requested at the previous budget hearing on Thursday, February 3, 2011.

Mr. Russo then addressed his memorandum dated January 27, 2011. Mr. Russo addressed three items to be discussed which impact the municipal budget.

TO: Town Council
FROM: Thomas S. Russo, Jr., Town Manager
DATE: January 27, 2011
SUBJECT: Budget Items for Consideration
CC: D. Babcock, CFO
D. Millikin, Deputy Town Manager
File

As we begin our annual review of the proposed municipal budget, I wanted to mention a couple of items that came up during the course of my several months of preparation. I will be bringing these up at the Saturday, February 5th session when I would be looking for guidance on same.

LONGEVITY:

The 2011 budget as proposed has approximately **\$167,000** for longevity payments, spread across all unions and aspects of the organization (44 employees). This easily represents two tax points and is an unfortunate product of overly generous contracts of years past. All units have eliminated the practice of longevity payments for future hires except the PBA and SOA. Obviously, this is something I will be addressing during the forthcoming negotiations. Though the total payment is not something we can address currently (other than the total payout diminishing based on new employees w/o longevity replacing retiring employees with longevity), I wanted you to be aware of this number, and understand the detrimental impact it has on our ability to lower the tax rate as much as I would prefer.

COUNCIL HEALTH BENEFITS:

It is estimated that in the 2011 proposed budget we will spend approximately **\$33,000** on benefits/waivers for health care coverage of Council members.

February 05, 2011

Most municipalities that I polled have eliminated same, with Byram recently doing so because of a referendum initiated by its taxpayers. My suggestion is that we implement a policy this year, whether by ordinance or resolution, which eliminates this benefit starting in 2012. A nominal increase in Council pay of \$1,750 would cover at least the money paid out in waiver benefits, and would provide us next year with a net savings of \$24,250, or almost a quarter of a tax point.

Note that we lost a point on our Best Practices checklist from the State of New Jersey because of this benefit coverage.

SPECIAL EVENTS/OT:

As the County Seat with a re-emerging Downtown and active entities like the Greater Newton Chamber of Commerce, we are fortunate to host a variety of special events, including the Memorial Day Parade, Newton Day, Taste of Newton, and Holiday Parade. Unfortunately, there are costs associated with same that are paid for by the taxpayers of Newton – most of which will never see or participate in such events.

In 2010, we spent **\$12,000** on OT for these events. We also spent **\$9,000** on fireworks, **\$4,745** for holiday wreaths, and **\$500** for vehicles for the Memorial Day Parade. These costs are unsustainable. Therefore, it is my suggestion that we develop a policy for 2011 by which we either split the cost of these items and OT for these events with the organizers (50/50); or we pay for the Public Works personnel OT while the organizers pay the Police OT. Most towns have either cancelled these special events, or implemented some sort of cost share policy so that the taxpayers are not footing the bill for the non-essential entertainment of others.

The 2011 budget as proposed does not contain any adjustments based on modifications to Council Health Care or Special Events/OT. These will be discussed on Saturday, February 5th and I look forward to your guidance on same.

After a lengthy discussion, Council agreed to continue to subsidize the DPW and Police expenses for the St. Patrick's Day Parade; Memorial Day Parade; and Holiday Parade as well as Newton Day costs. The expenses (Police & DPW overtime) of the Taste of Newton event and all other future events will have to be absorbed by the organizing committee or group.

COMMENTS BY TOWN AUDITOR

Mr. Tom Ferry, Town Auditor, addressed the Council and advised of Newton's financial status. Mr. Ferry addressed the difficulties with this year's mandated 2% cap and advised Council that he was impressed with the budget as presented.

Mr. Ferry provided some financial advice and strongly urged the Council to preserve the fund balance and max out the Reserve for Uncollected Taxes.

February 05, 2011

Mr. Russo noted that the Governor's address will be on February 22, 2011 and if no major changes occur with State Aid then he plans to introduce the Municipal budget to Town Council at their regular Council meeting on February 28, 2011.

Mr. Ferry noted that he is currently working on the audit for the Town of Newton and will submit an audit report shortly.

FIRE DEPARTMENT REVIEW AND CAPITAL PROJECTS

Fire Chief Mike Teets and Assistant Chief Brian Fox were present to review the Fire Department Budget and the Capital Improvement Budget. Chief Teets first outlined the e-dispatch system, which allows all calls to be dispatched to cell phones and can be retrieved with a special code. Previously pagers did not function out of town and e-dispatch reaches more volunteer firemen for a better response to fire calls.

Chief Teets also updated Council on the annual testing of all fire equipment which was recently implemented. Chief Teets and Asst. Chief Fox addressed other fire equipment used and needed by the firefighters. Council thanked the Chiefs for the maintenance and preventive measures taken on all of the fire equipment and apparatus.

Asst. Chief Fox updated Council on the current status of the new fire truck currently being built. Asst. Chief Fox, looking at the capital expenditures addressed his concern with the pumper truck which is due to be refurbished in 2016. He feels that if the Town waits till 2016 for refurbishment, the truck will not be eligible and requested that it be moved up to 2013.

Mr. Ricciardo questioned whether the flow test data report is in each fire truck and hearing it is not, directed the fire department to have Town Hall make additional copies to accompany each fire truck.

PUBLIC WORKS AND RECREATION REVIEW AND CAPITAL PROJECTS

Ken Jaekel, Public Works Director, Rick Straway, DPW Foreman, Thomas Trudgeon, Sr., Recreation Supervisor, Brock Kithcart, Park Caretaker and Suzie

February 05, 2011

Givone, Recreation Secretary, were present to address their department budgets.

Mr. Jaekel reviewed the Buildings & Grounds budget. Mr. Jaekel updated Council on the brine system which is working tremendously and is saving on overtime and material expenses.

Mr. Trudgeon, Sr. reviewed the Swimming Pool budget; Parks & Playgrounds budget as well as the Capital expenditures. Mr. Trudgeon and Mr. Jaekel updated Council on some changes in personnel as well as several improvements to Memory Park and Pine Street Park.

Deputy Mayor Le Frois commended the parks in Town and requested that some publicity be addressed on the website and newsletters.

Mr. Russo noted that the Recreation Commission will be looking at increasing the pool fees in order to make the pool self-liquidating.

Mr. Russo, Mr. Jaekel and Mr. Straway outlined the Capital expenditures for DPW and elaborated on the maintenance and requirements the Town is responsible for on all four Dam Sites in and around the Town of Newton.

Council thanked the Department of Public Works for their presentation and all of their hard work.

OPEN TO THE PUBLIC

Mayor Becker opened the meeting to the public.

Mr. Neil Flaherty, 154 Sparta Avenue, commended the Town Manager and CFO on the responsible and simplified budget. Mr. Flaherty commented that the Council health benefits should be made available at cost to the Council members.

Mr. Robert Caffrey, 101 Sussex Street, commended the Town Manager, Staff and the Town Council for the outstanding budget presented.

COUNCIL & MANAGER COMMENTS

Councilwoman Diglio recued herself, as a Councilmember, from the dais to address the Council as a Newton First Aid Squad (NFAS) member. Mrs. Diglio,

February 05, 2011

as Treasurer of the NFAS, addressed the financial issues of the Squad. She requested the Town pay for the fuel utilized by all NFAS ambulances and an increase in the contribution given by the Town of Newton.

After a brief discussion, the consensus of the Governing Body was to absorb the cost of the gasoline (approx. cost of \$3,000) and add \$1,000 to the base contribution of \$32,000 for a total of \$33,000. It was noted that the Town pays for the Squad's workman's compensation, which will be deducted from their total contribution by the Town. Mrs. Diglio thanked the Council.

There being no further business to be conducted, upon motion of Mr. Ricciardo, seconded by Mrs. Le Frois and carried, the meeting was adjourned at 12:33 p.m.

Respectfully submitted,

Lorraine A. Read, RMC
Municipal Clerk