

February 22, 2023

The special meeting of the Town Council of the Town of Newton was held on the above date at 5:30 p.m. Present were Mr. Dickson, Mrs. Diglio, Mrs. Le Frois, Deputy Mayor Couce, Mayor Teets, Thomas S. Russo, Jr, Town Manager, and Teresa A. Oswin, Municipal Clerk/Deputy Town Manager. Also present were Mrs. Monica Miebach, CFO, and Jennifer Dodd, Human Resources Director.

Mayor Teets 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 9, 2023."

TOWN MANAGER'S REVIEW OF BUDGET SUMMARY

Mr. Russo began the review of the 2023 budget document going page by page.

Page 1: Narrative. No comments or questions.

Page 2: Appropriations. Showing a comparison of budget amounts from 2022 to 2023. This year's total budget comes to \$16,372,301. We have sixty-two full-timer and approximately 82 part-time/seasonal/interns for a total of 145 staff members. Salaries, Medical Benefits, Pensions, FICA, Accumulated Absences account for 58% of the budget this year, down from the 62.3% last year. Operating Expenses, Debt, and Deferred Charges, the Tax Appeal Reserve, the RUT, and grants make up the remaining budget. Grants is a much larger number this year due to the \$1.3 million we got for the four (4) dispatch centers including Newton, it also includes the Food Waste Disposal Program and ARP Firefighter funding. The reason the budget is high is predominantly because the grants are more substantial at this point in time.

Mrs. Le Frois stated she was with Assemblywoman Munoz this morning, and she said municipalities are leaving State Health Benefits in droves because of the nearly 30% increase in costs for 2023. Mrs. Le Frois went on to say it will not affect Newton because we are in the North Jersey Municipal Employees Benefit Fund, but if we were in the State Health Benefits plan the 14% figure for Medical would be much higher. Mr. Russo stated our Medical cost increase for 2023 is 4%.

Pages 3 & 4 : Reserve for Uncollected Taxes/Tax Appeals. This information is given to us by the Tax Assessor Scott Holzhauser. The NVT went up nicely from \$599 million to \$610 million with a net change positive of \$11.5 million. Mr. Russo with on to say if they have any questions on pages 3 or 4, he can get Scott to answer them.

Page 5: Healthcare Coverage in Both Current and Water/Sewer Budgets. The Town joined the North Jersey HIF in January 2010. We have successfully capped the

employee contributions through resolutions and bargaining agreements. This year he has been selected to be the Secretary of the NJMEBF, and will be Chairman in two (2) years. We will continue to work with their professionals to manage healthcare costs. We have good coverage through Aetna, Express Scripts, and Delta Dental.

Page 6: Revenues in Support of the Budget. Mr. Russo stated he will drill down on this a little further, this just shows the breakdown. There is slight increase of the average assessed value for a residential property from \$185,293 to \$185,638. The proposed budget before you tonight propose taxes on an average residential property to go from \$2,838 in 2022 to \$2,899 in 2023 – an increase of \$5 per month.

Page 7: Water and Sewer. The proposed budget is \$4,952,475. There are 2,745 accounts, we will need to adjust the rates this year since it has been six to seven years since we last did a rate adjustment. We will have our professionals come to our meeting on Monday to discuss their rate analysis, proposing a slight increase on connection fees and phasing in the water/sewer rate increases over four (4) years. We will discuss this at our meeting Monday night.

Page 8: Town Officials

Page 9: Organizational Chart

Page 10: CAP Calculation

Mr. Russo asked Mrs. Miebach to explain the CAP Calculation page. Mrs. Miebach explained the Town is allowed up to a 3.5% by ordinance. The budget as presented is a 1% increase. The additional 2.5% serves as a safety net in case of an emergency. If the ordinance is not adopted, and we have an emergency we would have to go before the Local Finance Board which is timely and costly. The top half of the page is what the State allows, the bottom shows the existing numbers where we stand, having an excess of \$448,272.93 which is a safety net for us. Mr. Russo added, this is done every year and is basically a number on paper.

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

Page 11 gives the revenue comparison for the Current Budget.

Page 12 gives the revenue comparison for the Water and Sewer budget.

Mr. Russo stated he will go into those numbers a little further in the meeting.

Page 13: Fiscal Facts

Mr. Russo noted 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 2022 from the average taxpayer in the Town.

| | | |
|---------------------------|---------------|--|
| Newton Board of Education | 51.29% | \$2.314 |
| Town of Newton | 33.93% | \$1.531 |
| County of Sussex | 13.72% | \$.619 |
| County Library | 1.00% | \$.045 |
| County Open Space | .06% | \$.003 |
| Total | 100.0% | \$4.512 per \$100 of assessed value |

Page 14: Fund Balance

Mr. Russo stated we have a strong fund balance this year at \$1,733,277. The largest it has ever been. Strong performance by everyone.

Page 15: Revenues

Mr. Russo, started on page 15 stating we have \$2,045,169 in surplus. Next is Local Revenues, explained we can only request what was brought in the previous year. For 2023 we are requesting \$642,383 in revenue. He asked Monica to explain what the Municipal Relief fund in the amount of \$55,723.86 was. Monica stated it was ARP funds from the Federal Government. Mr. Russo continued reviewing revenues page by page, line by line.

Mrs. Le Frois asked for Mr. Russo to refresh her memory on the Community Service Contribution from Atlantic Health. She wanted to know how often it is negotiated. Mr. Russo explained we previously had an agreement in place where they paid a per bed fee, now there is legislation in place. We no longer have to negotiate an agreement. We are permitted to increase the amount by 2% each year.

Mr. Dickson questioned what the status was with Brookside. Mr. Russo advised he has not heard anything since they last spoke in which they showed interest in extending the financial arrangement to some degree. He responded to them there would need to be significant upgrades to the building both internally and externally before the Town would entertain the matter.

Mr. Couce questioned the significant drop in Account 104381, Receipt of Delinquent Taxes proposed for this year. Mrs. Miebach stated we had to exclude the Town owned liens that are going into foreclosure.

Mrs. Diglio wanted clarification on the Thorlabs lines on pages 16 and 17. Mr. Russo

stated on page 17 for MRNA Thorlabs shows a payment of zero but he went on to explain on page 16 there are two amounts they pay, one amount is an equal off-set of debt that we leveraged for the cost of the project at 56 Sparta Ave, the other is the above and beyond revenue that amounts to almost 6 tax points.

Mr. Couce questioned if we could use more fund balance, Mr. Russo explained we are using the maximum amount according to our policy.

Mr. Dickson questioned the insurance costs. Mr. Russo explained it was due to an annual increase from Aetna which is beyond our control.

Mr. Russo moved on to expenses starting on page 18. He started off by explaining the increase in his salary is not a raise, it is a reallocation of a Water/Sewer to the Current budget. This will be a common theme throughout the budget. The Water and Sewer budget doesn't have the rent capacity to maintain the previous split of costs.

Mr. Russo continued his review. On page 18 he noted the new expense in the Town Manager's department was for a grant writer. This has worked out very well for us so far. On page 19 it was noted in the Clerk's budget the Animal Control expense have been moved to a separate department. Town Council's salary is now at 70/30 split between Current and the Water/Sewer Budget. On page 20, Jenn Dodd is now full-time and the contract with Lakeland bank expires this year so we increased the payroll charges. On page 21, we hired a new auditing firm this year, resulting in an increase. On page 22 we still have legal bills coming in so they are not included in 2022 amount charged. Page 24 is Building and Grounds and we will skip that for now and discuss it with Kenny and Adam a little later. Also on that page in Planning/Zoning we no longer have a part-timer in that office. On page 25 we now have legal counsel attending the Historic meetings, which is reflected in the Consultant Services line. Mrs. Le Frois questioned the Community Development Consulting Services line; Mr. Russo explained it was for our Town Planner. On page 26, we can save the bottom half for Chief Razzano and Chief Miller. Reallocation is the reason for the increase in line 1069200 for Insurance Premiums. Page 27 is the Police Department and Mr. Russo advised we can review that later with Chief VanNieuwland. On page 28 Mrs. Le Frois asked how Kenny Teets retirement will affect the budget. Mr. Russo advised his term runs through the end of this year. It is unknown if he will continue in the position. Pages 29 and 30 are also for Kenny Jaekel and Adam. Page 31 Jenn Dodd explained the increase in the Occupational Health is because of the random drug testing contract also this is where we charge for

physicals. This page is where Animal Control was moved to. Recreation we will save for Danielle and Barbara along with Pools and Parks on pages 32 and 33.

Mr. Couce asked to go back to Vehicle Maintenance on page 30. He asked if the ACO van was included in one of the lines. Mr. Russo stated it did not appear to be. He deferred to Monica. A brief discussion took place, and it was decided to split the Senior Bus amount with the ACO van since they are both new. She will relabel either the First Aid or the Manager line to Animal Control. Mr. Couce also questioned if the new ACO van has been decided and if that should be included in the budget. Mr. Russo stated they were finalizing the artwork. Mrs. Oswin advised the money was encumbered in last year's budget.

Page 32 Mrs. Miebach stated the most up-to-date Utility charges for 2022 are actually \$499,000 and we have a credit in the amount of \$50,000 from fuel charges we bill out resulting in a net amount of \$449,000. The remainder of the page will be discussed later in the meeting. On page 33 Mr. Couce questioned the increase in 1094400 Accumulated Absence. Mrs. Miebach explained we had quite a few police retirements this year and our reserve is depleted. The increase is to fund the reserve.

Page 34 was reviewed with no comment. Mr. Russo explained page 35 Capital Improvements will be discussed later when we review the capital budget. Also on this page is our debt, Mr. Russo noted there is a decrease of about \$355,000. Page 36 was reviewed without comment.

The next few pages is Water and Sewer revenues and expenditures which will be reviewed later in the meeting.

Pages 43-45 list our vehicle inventory. Mr. Russo asked if the Council had any questions on these pages to let him know.

Mr. Russo stated pages 46-47 gives more detail on our debt. Pages 48-52 is a snapshot of the current employees. Next, he reviewed the items on page 53 list on the CIF page. Some key items were a utility vehicle for Community Development, Plan Endorsement renewal. He referred the Council to Jessica Caldwell's memo for further details. Also listed was accessible playground equipment, we applied for a \$75,000 grant with a \$25,000 match. Redevelopment is also listed mainly for the McGuire's property. Fire will be discussed later in the meeting.

Mr. Russo then briefly reviewed the 2023 General Capital Improvement Program. Mr. Couce questioned if the Roller Hockey Rink is a publicly accessible facility. Mr. Couce

stated if we are using tax dollars to make improvements we should consider opening it up to the public. A brief discussion ensued. The consensus of the Council would be to open up the facility to the public after improvements are made.

BREAK – 10 minutes.

DPW/RECREATION/WATER & SEWER BUDGET REVIEW

Adam Vough, Assistant DPW Director, Ken Jaekel, DPW Director, Mike Awertschenko, Licensed Operator, were present to review the DPW, and Water & Sewer budgets as well as address the Capital Improvement projects.

Mr. Vough briefly reviewed the Public Works budget. Mrs. Diglio questioned on page 24 what we spent so much on in Repairs/Alterations in 2022. Mr. Vough explained it was general maintenance, the cost of everything has gone up.

Mrs. Le Frois asked Mr. Vough to give an overall view of the DPW. Mr. Vough stated everything is good. Everything is more expensive and harder to get. Mr. Jaekel explained price quotes will increase, that are only good for two days, and items take much longer to get. Even our services companies do not have stock. We have used up most of our spare pumps and other parts. A brief discussion on items needed which we have been waiting a long time to get. Mr. Couce asked how the office project was going. Mr. Vough stated there are working on it, but we have been working on other stuff.

Mrs. Diglio questioned on page 29 if the increase in Street Materials was because we are repaving New Hampshire. Mr. Vough stated no, it was just for normal street work. Mr. Russo advised the work on New Hampshire it budgeted in Water and Sewer.

Mr. Couce questioned on page 30 what the state of affairs is with Grande Villaggio and snow removal. Mr. Russo stated they have their CO, and we are responsible for paying them now as per their agreement.

Mrs. Finkle, Recreation Supervisor and Ms. Hunton, Pool Manager came forward and reviewed the recreation and pool budgets on pages 31-33. Mrs. Le Frois asked how things are going. Mrs. Finkle there has been a lot of interest in the pool already. Ms. Hunton stated she is already getting calls from people wanting to register and excited about the events. Mayor Teets, we have a joint meeting with the Board of Ed next month and she plans to discuss getting the word out on our recreation events. Mrs. Diglio thanked Danielle and Barbara for developing and distributing a newsletter to the seniors and for the different events. She along with the seniors appreciate it. Mrs. Le Frois asked how many seniors attend the Zumba classes at the Firehouse. Ms. Hunton said on

average about 10-13 each week, but there has been as many as 25. Mrs. Le Frois questioned the increase in Lifeguards. Ms. Hunton explained she is hoping to open early for weekends in June and for longer hours for weekends. Also, they will need lifeguard coverage at the kiddie pool, and the slide will be open longer hours.

Mrs. Diglio asked if the Senior Citizen Program - Contributions on page 33 could be increased by an additional \$100 to \$3,500. There was no objection from the other Council members.

There were no other questions of the Recreation or Pool Budgets. Mr. Russo thanked Danielle and Barbara. They left at 6:25pm.

Next Mr. Russo reviewed the Water/Sewer revenues on pages 37 and 38. Mrs. Diglio questioned the decrease in salary, Mr. Russo explained it was reallocated to the Current fund. Mr. Russo also advised they did budget for summer help this year.

On pages 39 and 40 Mr. Russo stated the increase in Engineer Contractual was due to the additional engineer hired to help with the many projects coming up. Mr. Couce asked if there is anything not captured in the budget that Public Works or Recreation would like to see. Mr. Vough responded he is focused on the Babe Ruth field and the roller hockey rink and is not looking too far past them. Mrs. Diglio questioned the increase in the Trim/Landscape. Mr. Jaekel stated he is waiting for a company to come in and remove and treat the vegetation at Summit Pond.

Mr. Vough reviewed the Capital requests for vehicles. The 4500 Dump Truck is a medium-sized truck, and it will replace the current one that is 15 years old which costs quite a bit in maintenance. The tandem is 22 years old and it runs but it does need replacing. We are estimating the timeframe from ordering to delivery is about a year.

Mr. Russo reviewed the Water/Sewer Capital budget. He started by reading a statement from the Water Engineer, Dave Simmons.

"New Hampshire Street Water Main Replacement

The existing water main on New Hampshire Street is an older 4-inch cast iron water main. During fire hydrant testing in 2010, the flow from the existing fire hydrants was generally less than 100 gpm. The flow should be a minimum of 500 gpm.

The proposed replacement water main will be an 8-inch ductile iron water main, with new fire hydrants, and new type K copper water service lines from the new water main up to and including new curb stops and curb boxes for each residence.

The new 8-inch water main will connect to the existing 12-inch ductile iron water main in Diller Avenue. This will result in increased water flow for fire protection and improved water quality to the New Hampshire Street water customers.

Harrison Street, Spring Street, Jefferson Street, High Street, Hillside Avenue, Foster Street, Woodside Avenue, Paterson Place, Birch Drive, Maple Street, Kory Road, Clinton Street, Adams Street, Linwood Avenue, Windsor Drive, Thompson Street, and Newton

Sparta Avenue.”

Mr. Russo stated the number you see in the budget is based on estimates from Dave Simmons, Adam, and Kenny. We hoped to do the work in-house.

Next Mr. Russo outlined the Sewer Line Repairs and other information from Water Engineer, David Simmons and Sewer Engineer Fred Margron.

“Phase 1 Sewer Line Repairs

This work includes the High Priority work identified in the 2018 Sewer Inspection Report. The scope of work includes the manhole patching and repairs outlined in the Report; as well as the spot repairs and sewer replacement work outlined therein. The design work is just starting on this project.

Merriam Avenue/Sussex Street PS Consolidation

The Sussex Street Pump Station was constructed in the late 1960s and is located in a residential area on Sussex Street. There are concerns with the ongoing reliability of the aging station. Located in the same area, the Merriam Avenue Pump Station is located in front of the Merriam Avenue School, a public elementary school.

To combine the two pump stations, a new duplex submersible pumping station site location would be considered adjacent to Merriam Avenue on the corner of the baseball field and adjacent to the school. Approximately 650 linear feet of gravity sewer lines and three new manholes would be constructed to transport existing flows from each station to the proposed new pump station site. The proposed construction of a new pump station and force main connection to the intersection of Gardner Avenue and Merriam Avenue would resolve the maintenance and operational issues associated with aging stations and also will be constructed to meet current NJDEP requirements. Work has just begun on this project with the initial survey work.

Water Treatment Plant Main PLC

The Main Plant PLC (Programmable Logic Controller) continuously monitors and controls the operation of the various pumps, motors and valves along with other devices at the Water Treatment Plant. The Main Plant PLC is a critical component in the process of supplying water to the Town of Newton and is in need of upgrading. The Water Treatment Plant was constructed in 2004 and the PLC is original to the facility. The PLC has had minimal upgrades through the years and is now in need of a complete overhaul. The Main PLC works in tandem with the Pall Systems PLC which we are in the process of upgrading this year.

High Street Pump Station PLC

The High St. Pump Station along with a two-million-gallon storage tank is located on High St./Route 94 here in Newton. The PLC (Programmable Logic Controller) is used to continuously monitor and control the daily operation of the various pumps, motors and valves along with the other devices used to supply the high-pressure side of the Town of Newton with water. This high-pressure side not only supplies the residents in this area with water but also the various medical buildings and the hospital. The pump station along with the two-million-gallon storage tank were constructed in 1999 and the PLC is original to the facility. The PLC has had minimal upgrades over the years and parts are now becoming outdated and hard to find and for this reason the PLC needs to be upgraded.

Chemical Room Upgrades Sewer Plant

A number of chemicals are used at the Waste Water Treatment Plant to achieve the level of treatment required per the DEP discharge permit conditions. The chemical addition systems serve several purposes, including alkalinity control, phosphorus removal, chlorination, de – chlorination, odor control and sludge conditioning. Most of the equipment including the chemical feed pumps, piping and tankage are original to the upgrade that was done in 1990 and are in need of upgrade/ replacement.

Tertiary (Sand) Automatic Backwash Filter Renovation

The Automatic Backwash Filter system was installed in 1990 and consists of a single concrete tank, partially below-grade, divided into influent, effluent and bypass channels, and a filter cell with a traveling bridge carriage unit. Wastewater effluent from the Final Clarifiers flows by gravity into the influent channel, then through influent ports spaced

along the influent channel to the filtration unit tank. The wastewater is filtered as it flows by gravity downward through the sand media bed, then into the adjacent effluent channel. Each compartment of the filter bed is periodically backwashed by means of a backwash and wash water submersible pump system mounted on the traveling bridge, which moves across the top of the tank via a designated drive with gear and sprockets. Given the overall age and condition of the filter system, the unit is in need of renovation to address media loss, corrosion, wear on the chain and sprocket system, etc.

Morris Lake Water Treatment Plant Clearwell and High Street Water Storage Tank Cleaning

As part of the normal operation of the water treatment system periodic cleaning of tanks and storage vessels are a requirement to remove sediment and debris which accumulates over time. It has been a number of years since this procedure was last performed and the system is in need once again of the cleaning of these two sites.

Morris Lake Water Treatment Plant Chemical Room Rehab

The WTP at Morris Lake was constructed approximately 20 years ago. The facilities are showing their age with corrosion of the walls, floors, and metal components. This project will include removal of the existing piping, storage tanks, day tanks, pipe supports, pumps and equipment, equipment supports, and replacement of same in the Sodium hypochlorite, Caustic soda and Zinc orthophosphate rooms. All work required to clean and prep the concrete and masonry surfaces and perform the required concrete/masonry repairs will also be done and the walls and floors subsequently painted.

WWTP Fence Replacement Phase 1

The Town owns and operates the Wastewater Treatment Plant located at 25 Townsend Street in Newton. The original WWTP was constructed in the 1950's and portions of the fence appear to be from the original plant's construction. The fence around the WWTP provides security for one of the Town's key pieces of infrastructure while also providing for the safety of the public, by keeping people from entering a potentially dangerous facility. The perimeter fence is approximately 1800 feet long. In order to undertake the project in financially manageable pieces, we recommend undertaking it in two phases. The first phase was completed last year; the second phase will complete the balance."

Mr. Russo asked Mr. Jaekel if he had comments. Mr. Jaekel stated he knows this looks like a lot, but water and sewer is critical to the Town. It is a very old system and the developments in Town will add stress to the system. It is a 24/7 operations and costs only keep going up.

Mrs. Le Frois stated you can't expand or improve development without investing in our infrastructure. The work needs to be done. Mr. Jaekel stated people do not see it, so they don't think about it.

Mrs. Le Frois asked about an updated inventory of our hydrants and repainting them. Kenny stated we have a map on the hydrants and they are tested. Summer helpers do the painting. Mayor Teets mentioned we should look into integrating the hydrant information in to the new 911 system.

Neil Flaherty, Sparta Avenue had an issue with a leaky valve recently. Jacki, in the Water Department was very helpful. Within 15 mins of calling, crews came out to shut-off his water. He had his plumber come out and replace his valves. He called at 6:45am to have the water turned back on and again they were at his house within 15 minutes

and they waited to make sure everything was okay. He just wanted to say how much he appreciated the exemplary service he received from the Town staff during an extremely stressful time.

Mayor Teets thanked Mr. Flaherty for his comments.

Mayor Teets asked the Council if they had any questions. With no questions offered, Mr. Russo requested to take a short break.

BREAK – 10 minutes.

POLICE DEPARTMENT BUDGET REVIEW

Mr. Russo welcomed Chief VanNieuwland and stated we will start his department review on page 27. The Chief gave an overview of recent staffing changes in 2022 for his department, stating they had 2 retirements (Tosti and King), 4 new hires (Bellis, Soroka, Vex, and Grello), and 3 promotions (Sgt. Flanagan, Sgt. Zappa, and Lt. D'Annibale). Sgt. Teets will be retiring February 28th and Lt. Muller is eligible to retire in October. By January 2028, all the senior officers will be eligible for retirement. In 2022 they upgraded dispatch, implemented new computers for the day-to-day work, we installed monitors for the school cameras, he upgraded our network against cyber-attacks, and we have new security cameras around the building.

He went on to say they have done a lot of upgrades within the department as part of the transitioning process. They bought new rifles and rifle plates. With a younger department, he has implemented supervision training to give them the skills and tools they need to help the department grow. If they fail, the department fails. Mrs. Le Frois offered kudos to Tom, Jenn, and the Chief on recognizing the importance of training.

Chief VanNieuwland went on to review his Capital requests. The Town recently received a \$1.3 million federal grant with Andover, Hardyston, and Sparta to move to the Gen1 upgrade of the 911 center. He originally received a quote for the upgrades of \$304,000, he got an updated quote today and it jumped to \$380,000. He is trying to work with the vendor to manage the price, but there is no guarantee. There is a March 31st cut-off, or we pay the higher amount, if not more. All purchases for the four municipalities go through Newton. He stated we are seeing cost increases across the board. A discussion ensued on the grant. The Chief stated as the lead agency for the grant Newton has to come up with the \$1.3 million, he is not sure when we will actually receive the funding. He attended a 2-hour webinar on the grant recently and with talking with the grant writer, he feels confident we will be able to move forward on this project in

2023.

Next, the Chief reviewed his request for four (4) SUV cars for his department. He stated he is trying to forecast for the future. He did not purchase any vehicles in 2022. The issue with cars is Ford, Dodge, and Chevy have cancelled a lot orders from 2021. In 2022 we ordered a car and the order was cancelled. For 2023, Chevy took orders for one (1) and still cancelled a lot the orders. Ford took orders for one week. The Chief stated he doesn't even know if we appropriate the money if we will be able to get the cars in 2023. Tom gave him a link to look at for available cars, he called for a quote and by the afternoon the cars were gone. As soon as everyone gets their budgets approved, there will be a mad dash to order cars. He has three cars that have over 100,000 miles on them right now. We have to invest in getting cars for our futures so we don't fall behind. The last car he ordered in 2021 was \$45,000, that same exact car is now \$64,000. The price keeps going up. A brief discussion took place on the state of the economy and how prices will only keep going up and not coming down. The Council thanked the Chief for his time and information.

At this time Mr. Russo asked for a 5-minute break before the Fire Department review.

Mr. Couce asked if the Chief VanNieuwland if he is concerned our budget approval timeline may impose on our ability to order vehicles. The Chief responded yes, we can't order for 2023. If he can find something on a lot, that is the only availability there will be. He is being told Ford, Chevy, and Dodge are being very specific telling dealerships if they don't have a customer for a vehicle, then they are not getting the vehicle. There will not be a surplus of cars. On the other hand he is being told there are a surplus cars out there, so he is not sure what to believe.

Mr. Couce asked if it were possible to appropriate money before the budget is approved? Monica stated we are under State exam this year, so it makes things a little more complicated. First, we would have to amend the temporary capital budget and then ask our new auditors what is involved. You can only spend two ways, appropriate in the budget or by ordinance. We would have to first amend the temporary capital budget, then do an ordinance. Mr. Couce asked about the fund balance. Monica does not recommend using fund balance as that is our "safety net" or savings account for emergencies or cash flow issues. This money is also used for some grants we have to pay out the money and get reimbursed. She did include the \$1.3 million in the budget

for the dispatch upgrade grants because all the monies come Newton as the lead agency. Monica went to say because will have over \$750,000 in grants next year we will have to pay for a State audit exam. She hopes the other three towns will share the cost of it. After a brief discussion, Council stated they would like it put into the MOA for the dispatch grant that audit costs be shared. What Mr. Couce is asking is advisable, it may be a possibility.

Mr. Couce stated he doesn't want us to be in a position where we are down police cars because we missed the window of opportunity due to the budget approval process.

Mr. Russo stated we are not in favor of doing it, but he will have Monica ask Bond Counsel and the Auditors. Maybe there is another mechanism we don't know about.

Monica reviewed the budget timeline, explaining we would like to introduce the budget at the first meeting in March, she will send it the State for review and hopefully we would get the approval to adopt it at the first meeting in April. We would have to have an ordinance introduced at the first meeting April, after the budget on the agenda, the public hearing would be the second meeting in April, and we would have to wait 20-days so you are looking at sometime in May the money will be available.

FIRE DEPARTMENT BUDGET REVIEW

Chief Razzano and Deputy Chief Miller, came forward and they started their budget review on page 26. Mrs. Le Frois asked how things were going with the department. Chief Miller stated they have 14 new members this year, a couple of Juniors and legacies. We are in good shape. They get about 15-20 members respond to each call. They had about 200 calls in 2020, 300 in 2021, 412 in 2022, and 45 so far this year.

Mr. Russo asked if there were any questions on page 26? There were none. Mr. Russo stated on page 53, the CIF they have a request for Combi Tool/Thermal Camera/Ventilation Fans and asked to please give a little more information on this. Chief Miller stated they looked at all their aging equipment. The Combi tool they currently have on Engine 2 has been acting up for years. They keep putting band aids on it to keep it running. The last replacement/upgrade was in 2002. It is used to pop open doors and elevators. It is battery powered and the new one is even lighter which will be easier on a firefighter's back. The fans they are looking at are battery/plug-ins. So, if we have a place we can't use our gasoline powered fans we can use these. Plus, our box fans are over 20 years old. Chief Razzano stated we currently have four (4) thermal cameras, two (2) of which are over 15 years old. The new ones have the capability to see thermal

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imaging, oil sheens, and smoke/heat levels. The Chiefs went on to say they always looking for grant opportunities. They were awarded \$50,000 for new gear, then we had the influx of people. They have 5 people going through fire school "Fire 1", there are couple of members going to "Fire 2". Now that COVID is over, the plan is to go to other County academies to learn on different simulators we don't have here.

Mr. Russo then moved to the first capital sheet. He stated they did a walk-thru of Firehouse 1 with Chiefs Razzano and Miller, Public Works, HPA engineers, and HQW architects. They came up with a 3-year phase-in plan for the project. Phase I is \$835,000 which encompasses \$170,000 for the Building Envelope Renovation, \$495,000 for the 1st Floor Renovation, the entire architectural and structural engineer fees and the design contingency and permit and insurance fees. Phase II in 2024 is for the 2nd Floor renovation in the amount out \$575,000, 5% design contingency and permit fees, and insurance for a total of \$635,000. Phase III for 2025 is for site improvements in the amount of \$530,000 which includes milling & resurfacing the lot, replacing the garage door aprons, replacing concrete curbing and sidewalks, new concrete sidewalks and new parking lot lights. The upper lot improvements of \$305,000 include the widening and resurfacing of the lot, replacing of concrete curbing and sidewalks, and the installation of new concrete sidewalks, construction of new steps, installation of wood beam guide rail and new lot lights. It is a two (2) million-dollar project. Monica talked with Cory, he spoke with architect and we all agreed the price tag is fair given the scope of the project and phasing it in over three (3) years is the best option for us financially given how robust the capital budget is for 2023. So, it is \$835,000 for 2023, \$635,000 for 2024, and \$530,000 for 2025. Mr. Russo asked the Chief's to speak to why the renovations are needed. Chief Miller stated the building was built in the 1970's. A lot of stuff they have put band aids on the past few years are getting worse. There are water issues in the back of the bays which you can see in the architect's report pictures of the apparatus room. The heating system is original to the building and it so loud from the rattling when it runs you can barely hear yourself talk. The garage doors have been problematic for some time. They have done some cosmetic things over the years with paint, but as you can see the building is old. All the wooden siding on the exterior is dried up. Mrs. Le Frois asked when the last time was any significant structural work to this building. Mr. Jaekel stated he believed the roof was done in 2007. Mr. Miller said that is all he is aware of, every thing is original to the building. Mr. Russo said it is time we get ahead and do the upgrades because it is a better option

than doing a new building for \$6 million. He also stated with a project of this magnitude, he doesn't recommend our Public Works doing the work. A discussion took place on the project how it might affect operations and the financial impact.

Mr. Dickson asked if there was a way to reserve some money now to lessen the debt in later years. Mr. Couce asked if we could consider that will all projects. A discussion ensued. Mr. Russo explained we are a Town that is one third tax exempt, our financial situation is phenomenal considering that, but because of this we don't really have enough cash to put money aside toward down payment on capital projects without raising taxes more. Mr. Couce asked if we could pull more of the fund balance to set aside as a reserve. Mr. Russo explained we do have a fund balance policy which limits the amount money we can use of it. Mrs. Le Frois stated the fund balance is one of the things used in determining our bond and credit rating which also determines the interest rates we pay when we do have to borrow money. Mr. Russo stated the goal is to have 20% of your total budget in your fund balance, and then use part of that to off-set the tax increase. He could take \$5,000 or \$10,000 out of fund balance to over set costs, but will that really move the needle much on a \$2 million project. He went on to state he cautions that you can't change one side of the ledger without it eventually catching up on the other side, it is either debt or larger tax increases. Mr. Couce stated he would still like us to put aside \$5,000 to \$10,000.

Mr. Russo excused Mr. Vough, Mr. Jaekel, Chief Razzano, and Chief Miller at this time.

OPEN TO THE PUBLIC

Mayor Teets opened the meeting to the public.

Neil Flaherty, Sparta Ave, came forth to thank Tom, his staff, and the Council for putting together this preliminary budget. If there is one recurring theme today it is that there are so many forces beyond our control, from increase in materials costs, interest rates, and supply chain problems. He commends everyone for their hard work in keeping this budget to a \$5 a month increase. With the level of services provided and trying to maintain them it goes a long way to balancing quality of life with affordability. He has attended many budget meetings over the years and the thinks this is by far the hardest. He appreciates all the effort to keep it affordable. He wished there were more people from the public here tonight to hear what was going on. He will be spreading the word.

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Mayor Teets opened the meeting to those on Zoom.

No one else from the public addressed the Council.

TOWN MANAGER'S REVIEW OF THE BUDGET

Mr. Russo stated he concluded his review. Except for the one minor change asked by Mrs. Diglio, unless there are any objections, he will move forward with the budget introduction.

Mayor Teets asked each Councilmember if they had any questions or comments.

Mrs. Le Frois asked with the healthy fund balance what is our credit rating. Monica replied it is a "AA-" as a February of 2021, because of this we were able to refinance some loans which resulted in at \$400,000 savings to the taxpayers over the next 10 years.

Mr. Dickson – no questions.

Mrs. Diglio stated all her questions were answered. She thanked Tom and Monica for keeping the increase to \$5. She would like to see in future budget the years and the corresponding amount of tax increase so people can see how we try to keep the increases to a steady pace. Mr. Russo stated that is include in his budget presentation every year.

Mr. Couce stated this is a very good budget. A \$5 a month increase is very reasonable. He would still like to focus more on putting money into reserve for future projects. This was a job well done.

Mayor Teets wanted to echo what everyone was saying. This is what she does for a living, even her internal operating budget at her job is seeing significant increases with some dramatic impacts. \$5 is a minimal increase, she appreciates the work, conversations and everything that went into this budget. She asked Tom to have Kat let all the staff know her appreciation.

There being no further business to be conducted, upon motion of Mrs. Diglio seconded by Mr. Dickson and unanimously carried, the special meeting was adjourned at 8:39 pm.

Respectfully submitted,
Teresa A. Oswin

Teresa A. Oswin, RMC
Municipal Clerk