

March 13, 2023

The regular meeting of the Town Council of the Town of Newton was held via Zoom on the above date at 7:02 pm. Present were Mr. Dickson, Mrs. Diglio, Mrs. Le Frois, Deputy Mayor Couce, Mayor Teets, Teresa A. Oswin, Municipal Clerk, and Thomas S. Russo, Jr., Town Manager. Monica B. Miebach, CFO and Eric Bernstein, Esq., Town Attorney, were also present.

Mayor Teets led the Pledge of Allegiance to the flag and the Clerk called the roll.

Mayor Teets then made the following declaration "in accordance with the Open Public Meetings Act, notice of this Regular meeting was given to the two newspapers of record and posted on the official bulletin board on January 6, 2023."

#### **APPROVAL OF MINUTES**

Upon motion by Mrs. Diglio seconded by Mr. Dickson and carried, the minutes for the February 27, 2023, Regular meeting were approved as presented.

#### **OPEN TO THE PUBLIC**

At this time, Mayor Teets read the following statement:

*"At this point in the meeting, the Town Council welcomes comments from any member of the public on any topic. To help facilitate an orderly meeting and to permit the opportunity for anyone who wishes to be heard, speakers are asked to take one turn at the microphone and please limit their comments to 3 minutes. The Municipal Clerk will keep time. If reading from a prepared statement, please provide a copy and email a copy to the Clerk's Office after making your comments so it may be properly reflected in the minutes. Council may choose to comment after the entire public portion has concluded. Please state your name and address for the record."*

Mayor Teets opened the meeting to the public in attendance asking them to use the raised hand option.

There being no one from the public to be heard on Zoom, Mayor Teets closed the meeting to the public.

#### **COUNCIL & MANAGER REPORTS**

**Town Manager Russo** – noted for the record the following proclamation:

**Office of the Mayor**

**Newton, New Jersey**

**PROCLAMATION**

**Child Abuse Prevention Month**

**April 2023**

***WHEREAS***, child abuse and neglect is a complex and ongoing problem in our society, affecting many children in Sussex County; and

***WHEREAS***, every child is entitled to be loved, cared for, nurtured, feel secure and be free from verbal, sexual, emotional and physical abuse, and neglect; and

**WHEREAS**, child abuse and neglect not only directly harms children, but also increases the likelihood of criminal behavior, substance abuse, health problems, and risky behavior; and

**WHEREAS**, the effects of child abuse are felt by communities as a whole, and need to be addressed by the entire community; and

**WHEREAS**, effective child abuse prevention programs succeed because of partnerships among families, social service agencies, schools, religious and civic organizations, law enforcement agencies, and the business community;

**NOW THEREFORE, WE**, the Mayor and Town Council of the Town of Newton, hereby proclaim **April 2023** as Child Abuse Prevention Month, and call upon our citizens, community agencies, faith groups, medical facilities, and businesses to increase their participation in the efforts to support families, thereby preventing child abuse and strengthening the communities in which we live.

In witness whereof I have hereunto set my Hand and caused this seal to be affixed.

/s/ Michelle J. Teets

Attest: /s/ Teresa A. Oswin

Date: March 13, 2023

He then reminded everyone the St. Patrick's Day Parade is this Saturday, March 18<sup>th</sup> on Spring Street starting at 11am.

**Councilman Dickson** – nothing to report.

**Councilwoman Diglio** – St. Patrick's Day Parade lineup is done, there will be Irish dancers, bagpipers, fire trucks, floats, and more. She has started plans on the Memorial Day Parade.

**Councilwoman Le Frois** – stated March is National Women's' History Month. The Sussex County Chamber of Commerce awards luncheon will be on March 23<sup>rd</sup> at Noon, and out of the nominees, 24 were based in Newton. Best of luck to all! She wanted to thank Sandy Diglio, the Fire Department, and everyone involved in the St. Patrick's Day Parade. On March 19<sup>th</sup> the Senior luncheon will be held at Newton High School followed by the performance of "9 to 5". She thanked Danielle and staff for putting this event together for our seniors. The Historic meeting for March has been cancelled due to a lack of agenda items. On April 8<sup>th</sup> at 10am the Easter Egg Hunt will be held at the Newton High School football field. She offered congratulations to Newton's Mock Trial team on their 5<sup>th</sup> straight trial win. Councilman Dickson's daughter Olivia is member of the team.

**Deputy Mayor Couce** – stated the joint meeting of the Board of Education and the Town Council is a great opportunity to share what is going on both sides.

**Mayor Teets** – stated Sandy Diglio and the Fire Department put a lot of work in on the parade. She attended many of the planning meetings, and it was a learning process for her. She enjoyed the joint meeting with the Board of Education. She hopes to keep the momentum going. She offered congratulations to Olivia and the Mock Trial team. She wished good luck to all the Spring sports teams, Go Braves! She hopes everyone stays safe in tonight's storm. Our DPW always does an outstanding job.

**UNFINISHED BUSINESS** – None.

### **ORDINANCES**

Mayor Teets asked Mr. Russo to read aloud the following Ordinance relative to final adoption.

**ORDINANCE 2023-1  
CALENDAR YEAR 2023  
AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO  
ESTABLISH A CAP BANK  
(N.J.S.A. 40A: 4-45.14)**

**WHEREAS**, the Local Government Cap Law, N.J.S. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget up to 2.5% unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations, subject to certain exceptions; and

**WHEREAS**, N.J.S.A. 40A: 4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the 3.5% percentage rate as an exception to its final appropriations in either of the next two (2) succeeding years; and

**WHEREAS**, the Mayor and Council of the Town of Newton in the County of Sussex finds it advisable and necessary to increase its CY 2023 budget by up to 3.5% over the previous year's final appropriations, in the interest of promoting the health, safety, and welfare of the citizens; and

**WHEREAS**, the Mayor and Council hereby determines that a 3.5 % increase in the budget for said year, amounting to \$377,637.93 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and

**WHEREAS**, the Mayor and Council hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years;

**NOW, THEREFORE BE IT ORDAINED**, by the Mayor and Council of the Town of Newton, in the County of Sussex, a majority of the full authorized membership of this Governing Body affirmatively concurring, that, in the CY 2023 budget year, the final appropriations of the Town of Newton shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 1 %, amounting to \$107,896.55, and that the CY 2023 municipal budget for the Town of Newton be approved and adopted in accordance with this ordinance; and

**BE IT FURTHER ORDAINED**, that any that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two (2) succeeding years; and

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within five (5) days of introduction; and

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within five (5) days after such adoption.

Mayor Teets opened the meeting to the public.

There being no one from the public to be heard, the Mayor closed the meeting to the public.

The aforementioned **ORDINANCE** was offered by Mrs. Le Frois who moved its adoption, seconded by Mrs. Diglio and roll call resulted as follows:

Deputy Mayor Couce	Yes	Mr. Dickson	Yes
Mrs. Diglio	Yes	Mrs. Le Frois	Yes
	Mayor Teets	Yes	

Mayor Teets asked Mr. Russo to read aloud the following Ordinance relative to introduction.

**ORDINANCE 2023-2**

**BOND ORDINANCE RESTATING AMENDING BOND ORDINANCE NUMBER 2020-10 FINALLY ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF NEWTON, NEW JERSEY ON JUNE 22, 2020**

The aforementioned **ORDINANCE** was offered by Mr. Dickson who moved its introduction, seconded by Mrs. Le Frois and roll call resulted as follows:

Deputy Mayor Couce	Yes	Mr. Dickson	Yes
Mrs. Diglio	Yes	Mrs. Le Frois	Yes
	Mayor Teets	Yes	

**BE IT RESOLVED** by the Town Council of the Town of Newton that the above Ordinance be introduced for the first reading, with a hearing on the same to be held on Monday, March 27, 2023 at 7:00 pm.

Mayor Teets asked Mr. Russo to read aloud the following Ordinance relative to introduction.

**ORDINANCE 2023-2**

**BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$4,113,300 FOR THE CONSTRUCTION OF SPARTA AVENUE PUMP STATION IN AND BY THE TOWN OF NEWTON, IN THE COUNTY OF SUSSEX, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$4,113,300 BONDS OR NOTES OF THE TOWN FOR FINANCING PART OF THE APPROPRIATION**

The aforementioned **ORDINANCE** was offered by Mrs. Diglio who moved its introduction, seconded by Mr. Dickson and roll call resulted as follows:

Deputy Mayor Couce	Yes	Mr. Dickson	Yes
Mrs. Diglio	Yes	Mrs. Le Frois	Yes
	Mayor Teets	Yes	

**BE IT RESOLVED** by the Town Council of the Town of Newton that the above Ordinance be introduced for the first reading, with a hearing on the same to be held on Monday, March 27, 2023 at 7:00 pm.

**CONSENT AGENDA**

Mayor Teets read the following statement:

*“All items listed with an asterisk (\*) are considered to be routine and non-controversial by the Town Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.”*

Mr. Russo then reviewed the consent agenda items.

Mayor Teets asked if any member of the Council would like to pull a Resolution for discussion.

**RESOLUTION #101-2023\***

**“Authorize a Credit Due a Water and Sewer Utility Account”**

**WHEREAS**, the Water and Sewer Collector has determined the following Water and Sewer Utility Account is due a credit for the reason stated;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton that the Water and Sewer Collector is hereby authorized to credit the following account(s) for amount(s) billed incorrectly due to the reason(s) stated:

**CREDIT FOR AN ACCOUNT THAT SHOULD BE INACTIVE:**

<u>Account</u>	<u>Address</u>	<u>Amount</u>
24795	5A Ashford Street	\$157.50

**RESOLUTION #102-2023\***

**“Resolution to Authorize the Hiring of Certain Police Officers”**

**WHEREAS**, it is the desire of the Town of Newton to hire a police officer; and

**WHEREAS**, the Town of Newton Police Department staff conducted background checks and interviewed Police Officer candidates in accordance with all Civil Service guidelines; and

**WHEREAS**, the Town Manager and Town of Newton Police Department staff recommend the hiring of the following police officer candidate:

Robert Martin at a Probationary Level, \$49,262/year

**WHEREAS**, the Town Manager and Town of Newton Police Chief recommend this officer; and

**WHEREAS**, the Chief Financial Officer has certified there will be sufficient funds available;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton, County of Sussex, State of New Jersey, we hereby approve the hiring of said Police Officer effective March 13, 2023.

**RESOLUTION #103-2023\***

**“Accept as Final and Complete the Proposed Improvements to Lawnwood Avenue, Nelson Street, and East Clinton Street Project”**

**WHEREAS**, on June 17, 2022, the Newton Town Council adopted Resolution #169-2022, awarding the Proposed Improvement to Lawnwood Avenue, Nelson Street, and East Clinton Street Project to Tilcon New York, Inc., 9 Entin Road, Parsippany, NJ 07054 in the amount of \$93,258.40 and to Denville Line Painting, Inc., 2 Green Pond Road, Rockaway, NJ in the amount of \$3,7785.40; and

**WHEREAS**, on August 15, 2022, the Newton Town Council adopted Resolution #194-2022, awarding the bid for Proposed Improvement to Lawnwood Avenue, Nelson Street, and East Clinton Street Project to ADS Contractors, in the amount of \$19,262.21.; and

**WHEREAS**, on November 14, 2022, by adoption of Resolution #252-2022, the Town Council authorized Change Order No. 1, for Tilcon New York, Inc. for the Proposed Improvement to Lawnwood Avenue, Nelson Street, and East Clinton Street Project for a decrease in the amount of \$16,865.82 for a new contract total of \$76,392.58; and

**WHEREAS**, on November 14, 2022, by adoption of Resolution #248-2022, the Town Council authorized Change Order No. 1, for ADS Contractors, LLC for the Proposed Improvement to Lawnwood Avenue, Nelson Street, and East Clinton Street Project for a decrease in the amount of \$4,020.00 for a new contract total of \$15,242.21; and

**WHEREAS**, the Town Engineer, Harold E. Pellow, Harold E. Pellow & Associates, Inc., recommends in his memo dated March 1, 2023, the project be accepted as final and complete by the Town Council;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton that it hereby accepts the Proposed Improvement to Lawnwood Avenue, Nelson Street, and East Clinton Street Project as final and complete based on the recommendation of the Town Engineer, so the final paperwork can be completed.

**RESOLUTION #104-2023\***

**“Introduction of the 2023 Municipal and Water and Sewer Utility Budgets”**

**BE IT RESOLVED**, that the Local Municipal Budget and the Water and Sewer Utility Budget of the Town of Newton, County of Sussex, New Jersey for the calendar year 2023 be approved by the Mayor and Council of the Town of Newton; and

**BE IT FURTHER RESOLVED**, that the Municipal Budget shall authorize total general appropriations of \$16,382,301 and the anticipated revenues of \$6,847,255 leaving an amount to be raised by taxes for municipal purposes of \$9,535,046; and

**BE IT FURTHER RESOLVED**, that the 2023 Water and Sewer Utility Budget consists of appropriations of \$4,952,475 and anticipated revenues of \$4,952,475; and

**BE IT FURTHER RESOLVED**, that the Clerk is hereby instructed to advertise notice of the approved budgets in the *New Jersey Herald* on March 16, 2023, and that a final public hearing before passage will be held on April 10, 2023, at 7:00 p.m. at 39 Trinity Street, Newton, NJ.

**RESOLUTION #105-2023\***

**“A Resolution Requesting Permission to Establish a Dedicated Trust by Rider for Newton Animal Control Donations Required by N.J.S.A. 40A:5-29”**

**WHEREAS**, permission is required of the Director of the Division of Local Government Services for approval as a dedication by rider of revenues received by a municipality when the revenue is not subject to reasonable accurate estimates in advance; and

**WHEREAS**, the State of New Jersey sets forth that any local unit is authorized and empowered to accept bequests, legacies, and gifts made to it per N.J.S.A. 40A:5-29 and the Division of Local Government Services sets forth that this is an allowable dedication by rider; and

**WHEREAS**, N.J.S.A. 40A:4-39 provides that the Director of the Division of Local Government Services may approve expenditures of monies by dedication by rider;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton, County of Sussex, State of New Jersey, as follows:

1. The Mayor and Town Council hereby request permission of the Director of the Division of Local Government Services to accept donations for the Animal Control Department which include bequests, legacies, donations, and gifts; and
2. The Municipal Clerk of the Town of Newton is hereby directed to forward two (2) certified copies of this resolution to the Director of the Division of Local Government Services.

**RESOLUTION #106-2023\***

**“Appointment of Jason Schlaffer as an Alternate Member of the Planning Board”**

**WHEREAS**, there is currently a vacancy for an Alternate member on the Town of Newton Planning Board; and

**WHEREAS**, Jason Schlaffer has expressed an interest in serving as an Alternate Member on the Planning Board;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton, that Jason Schlaffer is hereby appointed to fill an unexpired two-year term as an Alternate member on the Planning Board, effective immediately with said term continuing to December 31, 2024.

**RESOLUTION #107-2023\***

**“Appointment of Jason Schlaffer as a Member of the Utility Advisory Board”**

**WHEREAS**, there is currently a vacancy for a member on the Town of Newton Utility Advisory Board; and

**WHEREAS**, Jason Schlaffer has expressed an interest in serving as a member on the Utility Advisory Board;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton, that Jason Schlaffer is hereby appointed to fill an unexpired five-year term as a member on the Utility Advisory Board, effective immediately with said term continuing to December 31, 2027.

**RESOLUTION #108-2023\***

**“Authorize Execution of an Agreement with the Communication Workers of America, AFL/CIO Local 1032 Employees Union”**

**WHEREAS**, the terms of a contract covering the five-year period from January 1, 2023 to December 31, 2027 have been negotiated by representatives of the Communications Workers of America, Local 1032 “CWA” and representatives of the Town of Newton; and

**WHEREAS**, an appropriate contract reflecting the changes from the previous agreement has been prepared and executed by CWA representatives;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton that it hereby authorizes the Town Manager, Mayor, and the Municipal Clerk to execute said five-year contract covering calendar years 2023, 2024, 2025, 2026, and 2027 with the Communications Workers of America, Local 1032 Employees Union.

**RESOLUTION #109-2023\***

**“Refund of Redemption Monies to Outside Lien Holder for Block 7.12, Lot 45, also known as 11 Ashford Street”**

**WHEREAS**, at the Municipal Tax Sale held on October 5, 2022, a lien was sold on Block 7.12, Lot 45, also known as 11 Ashford Street for 2021 delinquent utilities; and

**WHEREAS**, this lien, known as Tax Sale Certificate #2022-010 was sold to Fig 20, LLC FBO Sec Pty for a 0% redemption fee and a premium in the amount of \$2,400.00; and

**WHEREAS**, Corelogic has affected the redemption of Certificate #2022-010 in the amount of \$958.94;

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton that this Governing Body acknowledges Fig 20, LLC FBO Sec Pty is entitled to a redemption in the amount of \$958.94 as well as the return of the premium in the amount of \$2,400.00; and

**BE IT FURTHER RESOLVED**, the Town Council of the Town of Newton confirms and acknowledges the Tax Collector shall issue a check, in the amount of \$958.94 for the redemption and a check in the amount of \$2,400.00 for the return of the premium for Certificate #2022-010 to Fig 20, LLC FBO Sec Pty, PO Box 12225, Newark, NJ 07101.

**RESOLUTION #110-2023\***

**“Authorize Compensation Adjustments for 2023 Calendar Year for Certain Town of Newton Employees Not Covered by Collective Bargaining Agreements or Individual Contracts”**

**WHEREAS**, minimum and maximum hourly and annual salary ranges for each officer and employee of the Town of Newton were established for calendar year 2023 by Ordinance #2022-26; and

**WHEREAS**, the Town Manager, as part of his 2023 Town of Newton Budget, has recommended a 2.4% increase in base salary for calendar year 2023 to be paid to certain Town of Newton employees, whose employment is not the subject of any collective bargaining agreement or individual contract; and

**WHEREAS**, the Town Council has reached the following conclusions:

1. A 2.4% increase in salary from their 2022 base rate of pay for certain full-time and part-time Town of Newton employees, whose employment is not the subject of any collective bargaining agreement or individual contract, for calendar year 2023, is appropriate.
3. The salaries of the Town Manager and Chief of Police have been addressed separately by the Town Council.
4. Seasonal Employees and Summer Intern Employees are excluded from any salary increase authorized by this Resolution and will be handled by the Town Manager, Chief Financial Officer, and Human Resources Director.
5. The following employees/titles have received adjustments for 2023 or are new hires, and are therefore **excluded** from this 2.4% increase:
  - a. Administrative Assistant to the Town Manager (K. Alcock)
  - b. Clerical Support – Clerk's Office (M. Champignon)
  - c. Community Development Director (K. Williams)
  - d. Crossing Guards (Separately Addressed by Town Manager)
  - e. Human Resources Director (J. Dodd)
  - f. Police Records Clerk (D. Seaman)
  - g. Recreation Assistant (B. Hunton)
  - h. Recreation Coordinator (D. Finkle)
6. Said raises shall be retroactive to January 1, 2023.
7. Stipends received through payroll are not salary and shall not be entitled to the 2.4% increase authorized by this Resolution.

**NOW, THEREFORE BE IT RESOLVED**, by the Town Council of the Town of Newton that the base salaries and wages for the year 2023 for non-union Town of Newton employees, whose employment is not covered by any bargaining agreement or individual contract, and with the aforementioned exceptions, shall be increased by 2.4%, retroactive to January 1, 2023.

**RESOLUTION #111-2023\***

**“Resolution Approving Vacation and Accumulated Compensatory Time Payout for Steven Kneidl”**

**WHEREAS**, Steven Kneidl, Police Officer with the Newton Police Department, retired effective February 28, 2023 and is entitled to payout for unused and accrued vacation and accrued compensatory time pursuant to applicable law, Town ordinances, Policemen's Benevolent Association, Local #138 Association Agreement, and the Town of Newton Personnel Policy and Procedures Manual and Employee Handbook;

**NOW, THEREFORE BE IT RESOLVED**, the Town Council authorizes the following payout for unused vacation & sick leave, and accumulated compensatory time to Steven Kneidl as follows:

<u>EMPLOYEE</u>	<u>RETIREMENT DATE</u>	<u>PAYOUT TOTAL</u>
Steven Kneidl	February 28, 2023	\$3,743.48

**BE IT FURTHER RESOLVED**, that appropriate Town employees are hereby authorized to make the payments set forth above, with any required revisions to the payout amounts.

Resolution #112-2023*									
Amendment to the Temporary Water/Sewer Capital Budget									
WHEREAS, the local Capital Budget for the year 2023 has not been adopted; and									
WHEREAS, it is desired to introduce a Water Sewer Capital Ordinance;									
WHEREAS, N.J.A.C. 5:30-4.4B provides that the Capital Budget of a Governing Body shall be amended to reflect any provisions, changes or inconsistencies with said Capital Budget.									
NOW, THEREFORE BE IT RESOLVED, by the Town Council of the Town of Newton, County of Sussex, that the 2023 Temporary Water Sewer Capital Budget shall be amended to reflect the introduction of Ordinance 2023-3 in the amount of \$4,113,300 for the Sparta Ave Pump Station, simultaneously cancelling Ordinance 2021-16 for the Sparta Ave Pump Station for \$3,803,300.									
Recorded Vote (Insert Names)									
Ayes ( ) Nays ( ) Absent ( )									
WATER/SEWER CAPITAL BUDGET (Current Year Action)									
2023									
Planned Funding Services for Current Year 2023									
1	2	3	4	5a	5b	5c	5d	5f	Total Funded
Project	Project Num.	Est. Total Cost	Amt. Res. In Prior Years	2022 Budget Appropriation	Capital Improvement Fund	Capital Surplus	Grants in Aid/Other Fund	Debt Authorized	In Future Year
Sparta Ave Pump Station	2023-U17	\$ 4,113,300.00						\$ 4,113,300.00	
Total All Projects		\$ 4,113,300.00						\$ 4,113,300.00	

SIX YEAR CAPITAL PROGRAM 2023 TO 2028										
ANTICIPATED PROJECT SCHEDULE AND FUNDING REQUIREMENTS										
5. Funding Amounts Per Year										
1	2	3	4	Capital Improvement Fund 2022 Budget	2023	2024	2025	2026	2027	2028
Project	Project Num.	Est. Total Cost	Estimated Completion Time							
Sparta Ave Pump St.	2023-U17	\$ 4,113,300.00	2023		\$ 4,113,300.00					
Total All Projects		\$ 4,113,300.00			\$ 4,113,300.00					

**BE IT FURTHER RESOLVED**, that two certified copies of this resolution be filed forthwith in the Office of the Director of Local Government Services.

**IT IS HEREBY CERTIFIED**, this is a true copy of a resolution amending the Water Sewer Capital Budget section adopted by the Town Council on the 13th day of March 2023.

**RESOLUTION #113-2023\***

**“Approve Bills and Vouchers for Payment”**

**BE IT RESOLVED** by the Town Council of the Town of Newton that payment is hereby approved for all vouchers that have been properly authenticated and presented for payment, representing expenditures for which appropriations were duly made in the 2022 and 2023 Budgets adopted by this local Governing Body, including any emergency appropriations, and where unexpended balances exist in said appropriation accounts for the payment of such vouchers.

**List of Bills - CLEARING/CLAIMS**

Check#	Vendor#	Name	Check Total
7879	2799 -	AFLAC .....	2,313.26
7880	3869 -	AMERICAN FIDELITY ASSURANCE .....	562.22

7881	3868 -	AMERICAN FIDELITY ASSURANCE COMPANY .....	670.82
7882	4550 -	ANIMAL HOSPITAL OF SUSSEX COUNTY, INC. ....	300.00
7883	4448 -	ATLANTIC URGENT CARE LLC .....	77.00
7884	3251 -	BADGER METER, INC. ....	192.08
7885	4638 -	BLEEDING EDGE ENSYS LLC. ....	1,777.88
7886	4223 -	BLUE 360 MEDIA, LLC .....	583.44
7887	1132 -	BOONTON TIRE SUPPLY INC. ....	603.18
7888	300 -	BRIGHTSPEED .....	125.85
7889	702 -	C W A LOCAL 1032 .....	243.54
7890	192 -	CAMPBELL'S SMALL ENGINE INC. ....	32.06
7891	4138 -	CONSTELLATION NEWENERGY -GAS DIV .....	12,075.78
7892	4147 -	CONVERGINT TECHNOLOGIES, LLC. ....	2,882.24
7893	4500 -	CRYSTAL MOUNTAIN SPRINGS .....	152.99
7894	1307 -	DOVER BRAKE & CLUTCH .....	615.53
7895	3318 -	FREDON ANIMAL HOSPITAL .....	190.00
7896	373 -	GALLS, LLC .....	122.59
7897	4525 -	GLOBAL HR RESEARCH .....	1,491.00
7898	4398 -	GLOBAL RECYCLING SOLUTIONS LLC .....	1,175.02
7899	2831 -	HAMPTON RV SALES, INC. ....	69.00
7900	230 -	HAYEK'S MARKET INC. ....	320.37
7901	3876 -	HOLLAND COMPANY, INC. ....	11,437.13
7902	332 -	J & D SALES & SERVICE, LLC. ....	225.00
7903	113 -	JCP&L .....	221.28
7904	3772 -	JK HVAC SERVICE, LLC. ....	1,509.00
7905	2138 -	KISTLER O'BRIEN FIRE PROTECTION, IN .....	829.48
7906	4632 -	LARACY ASSOCIATES LLC .....	6,500.00
7907	3792 -	MACKENZIE AUTOMATIC DOORS .....	460.00
7908	1141 -	MCGUIRE, INC. ....	963.40
7909	1741 -	MORRIS COUNTY POLICE ACADEMY .....	35.00
7910	700 -	NEWTON PATROLMANS ASSOCIATION .....	840.00
7911	1745 -	NEWTON SUPERIOR OFFICERS .....	420.00
7912	2667 -	NJAPZA .....	50.00
7913	2835 -	NJMEBF .....	203,551.00
7914	1762 -	NJSACOP.....	795.00
7915	2882 -	ONE CALL CONCEPTS, INC. ....	108.32
7916	4383 -	OPTIMUM .....	181.27
7917	1407 -	PASSAIC VALLEY SEWERAGE COMM. ....	6,633.00
7918	4204 -	PLANET NETWORKS INC. ....	4,125.77
7919	2478 -	RACHLES/MICHELE'S OIL COMPANY, INC. ....	7,084.71
7920	401 -	REGISTRAR'S ASSO OF NEW JERSEY .....	50.00
7921	4585 -	ROXITEK, LLC. ....	121.25
7922	61 -	S K OFFICE SUPPLY INC. ....	190.00
7923	3660 -	SCHENCK, PRICE, SMITH, & KING, LLP .....	8,618.94
7924	126 -	SCMUA .....	1,605.59
7925	611 -	SEBRING AUTO PARTS, INC. ....	193.58
7926	4521 -	SMITH MARK .....	250.00
7927	1212 -	STATEWIDE INSURANCE FUND .....	127,964.87
7928	2056 -	SUBURBAN PROPANE, LP. ....	4,367.69
7929	3442 -	SUNLIGHT GENERAL .....	1,044.08
7930	102 -	SUSSEX CAR WASH INC .....	216.00
7931	1029 -	SUSSEX COUNTY CLERK'S ASSN .....	150.00
7932	130 -	SUSSEX COUNTY P & H, INC. ....	196.56
7933	371 -	T.A. MOUNTFORD COMPANY, INC. ....	700.00
7934	2479 -	TAYLOR OIL CO., INC. ....	5,970.18
7935	4278 -	TEXAS LIFE INSURANCE COMPANY .....	35.45
7936	676 -	THE EQUITABLE .....	5,690.00
7937	691 -	TRANS WORLD ASSURANCE CO. ....	400.00
7938	1151 -	TREASURER, STATE OF NEW JERSEY .....	835.00
7939	2781 -	TRIMBOLI & PRUSINOWSKI, LLC. ....	10,438.00
7940	4152 -	UNITED SITE SERVICES, INC .....	12,585.13
7941	1257 -	UNUM LIFE/DISABILITY INSUR .....	715.39
7942	2716 -	UPSEU LOCAL 424J .....	756.00
7943	2485 -	VAN NIEUWLAND STEVE .....	175.00
7944	1158 -	VISION SERVICE PLAN .....	1,140.71

7945	2635 -	W.B. MASON, INC. ....	779.37
7946	1500 -	WALMART .....	678.00
TOTAL .....			458,412.00

Mrs. Diglio made a motion to approve the **COMBINED ACTION RESOLUTIONS**, it was seconded by Mrs. Le Frois and roll call resulted as follows:

Deputy Mayor Couce	Yes	Mr. Dickson	Yes
(Abstain on checks #7883 and #7918)			
Mrs. Diglio	Yes	Mrs. Le Frois	Yes
(abstain on #95-2023)			
	Mayor Teets	Yes	

**OPEN TO THE PUBLIC**

Mayor Teets opened the meeting to the public.

Margaret Baldini, 10 Barry Lane questioned what the change was in Ordinance 2023-3 to make it go from a \$3 million project to \$4 million.

Mr. Russo stated he will have Monica address the question after the public portion has concluded.

There being no one else from the public to be heard on Zoom, Mayor Teets closed the meeting to the public.

**DISCUSSION**

Mr. Russo introduced Matthew Laracy and Michael Rohal with Laracy Associates, LLC to discuss the Water and Sewer Connection Rate Study and the Water Sewer Utility Rate study.

Mr. Laracy starting by giving his background saying he is a finance professional, a Certified Public Account, Certified Municipal Finance Officer, and Qualified Purchasing Agent. Michael Rohal has 40+ years as a Business Administrator and engineer. Mr. Laracy then stated he will review the connection study first.

He began by saying the Connection Fee Study is pretty basic. NJ Statutes guide us to perform an analysis of water and sewer connection fees on an annual basis. Basically, you are taking your capital expenditures versus capital improvements required to come up with the cost of what the connections fees should be. There is a statutory formula that is used to calculate this. There is some analysis that goes with it, but it's more a basic rate study compared to the general water and sewer rates. The data is included in the study. At the end of the day the water sewer rates did change for a total increase of about \$43. This is for new development and new houses. Mr. Laracy asked if there were any questions. The Council had none.

Mr. Russo stated it appears to be a pretty straight forward study and believes we should move forward with introducing an ordinance to make the change. There were no objections from Council.

Next, he reviewed the highlights of rate study saying financial projections guide the rate. The starting point is the rate structure of the utility which must be able to serve the needs of the community currently as well as the growing needs. You don't want to set a rate for one year, you need to have the future in mind. The last rate change was

done by ordinance in 2016 and took effect in January 2017. A lot has changed since then. He went on to explain the utility consists of mostly residential accounts and is customer based. When he looked at the revenue what really jumped out was the consistency of the revenue, meaning the consistency of usage. There is not much fluctuation in usage. That is valuable because it is a predictable revenue stream, we can predict the revenue with a strong accuracy. The billable gallons are predictable also.

For the Utility Budget, operating expenses account for 70% and debt accounts for 30%. Operating expenses are the salaries and wages, fringe benefits, most of which are contractual, and their increases are predictable because we are dealing with multi-year contracts. Inflation on contracts, equipment supply, and supply chain issues lead to high costs which is really coming in to play this year for municipalities. For example the chemicals bid has increased from \$58,000 to \$112,000 and the Sewer Digester Bid went from \$224,000 to \$310,000.

Mr. Laracy explained capital investment in a utility is imperative to keeping a healthy utility to provide water and sewer service to the residents and it also helps to controls costs. If you don't invest in improvements (incurring debt) then the utility will break down, you will be out of compliance with State and Federal regulations. There are hefty fines and improvement costs that come along with that. He went on to say Newton has done a very good job with consistent capital improvement investments over the years. He then the reviewed the bond schedule which includes Federal & State loans. It currently has 7.5 million dollars in debt.

Fund Balance is a result of operations. If you are operating in the positive the fund balance grows, if you are in the negative it will decrease. Newton has a strong fund balance from excellent expense management and connection fees from development. It is not being driven by regular water/sewer revenues. He took the capital plan Tom gave him, projected out the debt service financing over 30 years with a 4% interest rate and built the projects into the overall operations out through 2026. Without a rate increase we would be drawing down on the fund balance and it would be depleted by 2027 or 2028.

Mr. Laracy then reviewed the comments and recommendations.

1. The Town has done well to manage the expenses of the utility since the 2017 rate increase. Revenues have been consistent, but stagnant, for 6 years. Despite this, the utility has increased its fund balance to budget ratio above 50%.
2. The Town has a robust capital improvement plan designed to ensure the reliability, safety and efficiency of the system while also complying with Federal and State regulation. Capital investment reduces costly emergency repairs and increases efficiency while decreases costs.
3. It is recommended that the Town explore Federal and State funding opportunities to aid in the financing of the capital plan. Government backed loans often allow for competitive interest rates and longer-term amortization. Certain loans allow for principal forgiveness.
4. To avoid an operational deficit, it is recommended that the Town adopt a fee ordinance to update the Water and Sewer rates as follows:

- a. Implement a Capital Improvement fee of \$10 per quarter for Water and \$10 per quarter for Sewer. This will equate to a \$20 quarterly charge and is designed to cover a portion of the debt service related to upcoming capital improvements. The flat fee also provides an additional baseline revenue that will not fluctuate based on usage.
  - b. Implement a general rate increase on the following schedule:
    - i. 2023 – 5%
    - ii. 2024 – 5%
    - iii. 2025 – 2.5%
    - iv. 2026 – 2.5%
5. Implementing the recommended capital fee and rate increases, we can estimate the following collections based on historical usage:
- a. 2021: \$4,061,838 (Actual)
  - b. 2022: \$4,079,001 (Actual)
  - c. 2023: \$4,486,930 (Projected)
  - d. 2024: \$4,700,176 (Projected)
  - e. 2025: \$4,812,131 (Projected)
  - f. 2026: \$4,926,884 (Projected)

\*Full historical and projected financials are included on Schedule B

6. The impact on the average quarterly bill, assuming the addition of a capital surcharge and application of the suggested rate increases, is presented below:

Customer Type	2022	2023 Projected	2024 Projected	2025 Projected	2026 Projected
	Average Quarterly Bill				
Residential	\$221	\$252	\$264	\$271	\$278
Residential (D)	\$96	\$120	\$126	\$130	\$133
Apartments	\$966	\$1,035	\$1,086	\$1,114	\$1,141
Commercial	\$673	\$727	\$763	\$782	\$802
Industrial	\$1,633	\$1,735	\$1,822	\$1,867	\$1,914
Tax Exempt	\$2,341	\$2,478	\$2,602	\$2,667	\$2,733

7. The timeline of the capital improvement program, and the structure of financing associated with the program, will likely be the primary driver of the utility budget in the coming years. Water and Sewer rates should be analyzed again in 2026 to maintain the financial health of the utility.

Mr. Laracy stated there is more details in the report, but that concludes his presentation.

Mr. Russo asked Monica to address Ms. Baldini's inquiry on Ordinance 2023-3. Ms. Miebach stated the change is due to increased costs. The actual increase from the previous amount is \$300,000. Mr. Russo stated when the project started it was a \$2 million project.

Mayor Teets thanked Mr. Laracy and Mr. Rohal for their presentation. She said it does help to go through it all. It is unfortunate that we have to look at the increase, but it is better to look at in now, so we set the Town up for success going forward. She has been

around some of the water emergencies in Town including a water main break on Thanksgiving, and it amplifies the importance water. It is not always predictable, but she feels we do a really good job of maintaining our system especially considering the age of the infrastructure. She really appreciates all the work everyone has done.

Deputy Mayor Couce had no questions or comments.

Mrs. Le Frois wanted to reiterate what Mayor Teets said. Our DPW has done a good job a maintaining our system. Fixing what we can and knowing when we need to make improvements. We are lucky we have a self-liquidating budget and we do a great job on keeping up on things. She thanked Mr. Laracy and Mr. Rohal for their presentation. She does think the phased in rate increase is the way to go. She looks forward to discussing this more with her colleagues.

Mrs. Diglio stated the total increase over four (4) years comes to 15%, and asked if we could do 3.75% each year instead?

Mr. Russo asked Mr. Laracy to address the question. He said the reason they did the first two years at 5% was give a revenue boost to the utility, but there is room for adjustment.

Mr. Dickson stated it was a thorough report and shows we are not just increasing to take in more money to put somewhere else. It is going to the utility. He thanked both gentlemen for their work and presentation.

Mr. Russo asked Ms. Miebach if she had any comments.

Ms. Miebach stated she knows everyone is concerned about a rate increase but if you look at the capital budget Kat scanned to the Council, it show in 2023 we will be working with \$12 million worth of projects. Some are left over from last year because we could not get equipment and parts. Last week we were told steel went up 20%. Last year she had to freeze expenditures so water and sewer could end up self-liquidating by the end of the year. She thinks we should go with the recommended 5%, 5%, 2.5%, and 2.5%.

Mr. Laracy said the difference between the 5% and the 3.75% would only result in a few dollars per bill. Their goal was to keep the utility self-liquidating as Monica mentioned and keep the fund balance in the positive.

Mr. Russo said he would need guidance so we can get the ordinance on the agenda for next meeting so we can introduce, adopt, and advertise so we can get these rates in effect to help us for the second half of this calendar year.

Mayor Teets stated she did some calculations on the 3.75% versus the 5% and she agrees with Matt in that it would only be couple of dollars. So, unless anyone else on the Council has any discussions the want to address now, she thinks we could move forward.

Mr. Dickson agreed with going forward with proposed fee structure.

Mrs. Le Frois also agreed to the proposed fee structure as we do need the influx of cash.

Mr. Couce stated he would like to ask for a stay of one meeting to digest the information, but if we are on a time crunch perhaps, we can be more mindful of how we time these things for the future. He can swallow it if we need to tonight.

Mayor Teets said this discussion was put off from two-weeks ago, she thinks we

should move forward.

Mr. Russo stated he would rather not delay just in case we run into an issue with the ordinance. He also wanted to give the public ample notice through advertising of the coming rates similar to what we did with the parking rates. We didn't put them into effect right away and we advised the public what was coming. We would like to do the same thing with this. Like the Mayor said there has been ample opportunity to review data. What he appreciates about Matt and Michael is they let the data drive conversation and the report. There was no predetermined course of action. They had free access to all the information from his office as well as Monica's and Ginny's. As Monica said we have \$12 million in projects, but that number can go up. We have not been negligent on the projects. Its volume of projects, hits supply chain, lack of availability of critical parts and materials. Most Town's review these fees every three or four years, he stretched this as long as he could out of deference to the public to say let's go as long as we could. We have hit that point in time. We have shown as much grace as we can. We have to face the fiscal reality.

Mrs. Le Frois said she appreciates Tom stretching it out as long as he can and not doing this during COVID when everyone was home. She went on to say these reports tonight are public records and wanted to know where they will be available for the public to review in the next few weeks.

Mr. Russo stated he can put them on our website and attached them to the ordinance for introduction. He thanked Matt and Michael and went on to say they have excellent reputations and they did an awesome job.

Mr. Laracy thanked Tom and Monica and all the staff for their assistance especially during such busy time of the year.

**COUNCIL MANAGER COMMENTS**

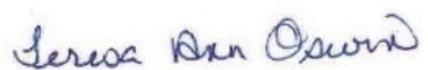
Mr. Russo stated he will work with Kat on uploading the documents tomorrow to our website.

**EXECUTIVE SESSION** – None.

**ADJOURMENT**

There being no further business to be conducted, upon motion of Mrs. Le Frois seconded by Mr. Dickson and unanimously carried, the regular meeting was adjourned at 7:56 pm.

Respectfully submitted,



Teresa A. Oswin, RMC  
Municipal Clerk