

**MINUTES****JANUARY 11, 2003**

The Board of Chosen Freeholders of the County of Warren met in a special budget hearing session in its offices at the Wayne Dumont, Jr. Administration Building, Belvidere, New Jersey on January 11, 2003, at 9:25 a.m.

The meeting was called to order by Freeholder Director Doherty and upon roll call, the following members were present: Freeholder Michael J. Doherty, Freeholder Rick Gardner, and Freeholder John DiMaio. Also attending were County Administrator Steve Marvin, CFO Charles Houck, Fiscal Analyst Dan Olshefski, and Deputy Clerk Tammy M. Lynn.

The Pledge of Allegiance to the Flag was led by Director Doherty.

Director Doherty read the following statement: **“ADEQUATE NOTICE OF THIS MEETING WAS GIVEN IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT BY FORWARDING A SCHEDULE OF REGULAR MEETINGS OF THE BOARD OF CHOSEN FREEHOLDERS TO THE WARREN COUNTY CLERK, THE STAR/GAZETTE, THE EXPRESS-TIMES, STAR-LEDGER, BLAIRSTOWN PRESS, THE NEWS AND BY POSTING A COPY THEREOF ON THE BULLETIN BOARD IN THE OFFICE OF THE BOARD OF CHOSEN FREEHOLDERS. FORMAL ACTION MAY BE TAKEN BY THE BOARD OF CHOSEN FREEHOLDERS AT THIS MEETING. PUBLIC PARTICIPATION IS ENCOURAGED. IN ORDER TO ASSURE FULL PUBLIC PARTICIPATION, THOSE INDIVIDUALS WITH DISABILITIES WHO WISH TO ATTEND THE MEETING SHOULD SUBMIT ANY REQUESTS FOR SPECIAL ACCOMMODATION ONE WEEK IN ADVANCE”.**

Mr. Olshefski stated that the summary sheets distributed were the comparison of the 2002 actual appropriations against the 2003 department recommendation requests for this budget. He explained that the requests were reviewed and reduced in some instances before presenting them to the Board for approval. He offered to meet with Mr. Gardner to go over the budget process since he is new to the Board.

Mr. Olshefski stated that the county total ratables have an anticipated increase of four million dollars and that is reflected in the 2003 budget proposal. The actual total will be confirmed by the County Tax Administrator on February 15<sup>th</sup>. He explained the surplus generated in 2002 was mostly due to the increased fees in the County Clerk, Sheriff and Surrogate departments, some municipal tax reassessments were performed, and additional grants were awarded.

Mr. Doherty responded that he was informed by the County Clerk that he expects an additional \$200,000 in fees this year. Mr. Olshefski explained that when preparing the budget you cannot include estimates, so the County Clerk Department actual fee totals from 2002 were used when preparing the 2003 budget.

Mr. Houck further explained that 2002 was an exceptional year for refinancing mortgages with the interest rates as low as they were. It is not expected to continue with that trend and he highly recommends keeping this department anticipated fees as presented. Mr. DiMaio agreed with Mr. Houck and stated that he was just speaking with an attorney friend and he told him that the refinance market is slow right now.

After some discussion between the Board, Mr. Olshefski and Mr. Houck they agreed to begin review of the 2003 budget proposals received from the departments, agencies, boards and commissions even though they do not have a total anticipated tax revenue.

Mr. Olshefski explained that all the requests are general government service continuance requests, there are no new positions included and he told the Board that Personnel Director Jerry Coyle would answer any specific questions at a future meeting. Mr. Marvin advised the Board that the salary and wage section increases are for the current contractual agreements.

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Mr. DiMaio stated that he noticed the Information Systems Department had a substantial increase and wanted some details.

Mr. Olshefski explained that initially the contract afforded two full time staff on site at all times. However, in October 2002 a third was added which is now reflected in the proposal. He stated most of the increase is a direct result of the requirement to establish a Disaster Recovery Plan.

Mr. Marvin described the history, need for this plan with the total cost to be \$500,000., and take three years to complete.

Mr. Houck commented that the plan is to have all files stored at another site, because if the current storage facility and building are destroyed the county could not function. This plan allows that the county would be up and running within 24 to 72 hours to continue operations and maintain services. He used the September 11<sup>th</sup> situation as an example.

Mr. Marvin asked to have Economic Development renamed to Public Information and Tourism. The Board agreed.

Mr. Marvin explained that the Election Board budget has built in a situation that may occur with the poll workers. He explained that the State mandated two years ago that all poll workers receive \$200.00. Since the county allocated \$75.00 the State was reimbursing the difference. He advised the Board that the State has only reimbursed for the primary election, not the general election.

Mr. Gardner responded that hard as it is to get poll workers, this is disturbing that the State mandates but will not cover the cost above the county's normal rate.

Mr. Gardner asked why there was a \$131,000 increase to the Warren Haven proposal and the Division of Senior Services proposal had some increases. Mr. Olshefski explained the Warren Haven increase is from a contractual settlement under salary and wages. The Division of Senior Services is for additional contracted care managers that were approved last year and the cost is offset by anticipated grant funds.

Mr. Marvin advised the Board that the Operating and Expense line for the Administration section of the Freeholder Department dropped because the Alman Group professional service was moved over to the Human Services Department. He also explained that the county may be required by April 2003 to be in HIPAA compliance. He described that this is relating to confidential records of medical issues which would increase the Operating and Expense line for numerous departments throughout the county.

Mr. Doherty wanted to review the Planning Department proposal and asked why the salary and wage increased, since there was a position removed in 2002. Mr. DiMaio responded with all the changes that were made in 2002 to this department he thought the number was correct with the exception that there should be one less Sr. Planner position. Mr. Marvin noted that the Sr. Planner position is vacant at this time just as it was last year. Mr. Olshefski confirmed and noted that one clerk typist position was continued for the Open Space and Farmland Preservation processing. Mr. DiMaio recommended moving the clerk position over to the new Land Preservation Department. The Board agreed.

Mr. Doherty still thought there were too many positions and not the same amount of work required. Mr. DiMaio and Mr. Gardner both responded that the department spent too much time on land preservation and now are back planning and working to develop the Smart Growth initiatives. Mr. Olshefski confirmed that \$26,000 would be moved to the Land Preservation Department salary and wage line.

The Board began review of the county insurances. Mr. Marvin explained that the Excess Liability for Warren Haven is soft at this time and the budget has set aside \$50,000 to cover deductibles on a binder, until the policy is confirmed.

Mr. DiMaio had concerns that the Health Insurance was increasing.

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Mr. Olshefski explained the amount proposed will include the Welfare staff that was not part of the 2002 Health Insurance plan and that is why the \$700,000 increase occurred.

Mr. Doherty stated that Insurance Risk Manager Randy May promised to reduce the cost by \$1,500,000.00 in 2003. Mr. Marvin responded that in reality the savings will be approximately half because it will be almost June before the new Health Insurance program is fully operational. Mr. Doherty asked if there could be an incentive for an employee to opt out of the Health Insurance.

Mr. Marvin responded yes the statute allows up to 50 percent.

Mr. Olshefski commented that he does not recommend offering this incentive at this time. He explained that the county is self insured and the ill employee would not take the incentive and the healthy employee would, which would then add another cost to the budget appropriation. He confirmed last years total payout was \$8.2 million dollars and there were no employee contributions. Mr. Olshefski recommended that any employee contribution considerations be discussed during negotiations not during the budget review.

Mr. Marvin explained that in the past, the Health Insurance changed from an Indemnity plan to a PPO plan and any cost to the employee would be spent when they used the plan thru the co-pay requirement, out of network deductibles and such. There was some discussion between Mr. Marvin and the Board regarding the Public Sector Health Insurance vs. the Private Sector Health Insurance programs.

Director Doherty called for a break at 11:00 am.

The Board returned to open session at 11:15am.

Mr. Olshefski went to the Public Safety section of the budget and explained that 5 telecommunication positions were removed due to the history with the Phillipsburg 9-1-1 dispatch remaining separate from the county. Mr. DiMaio asked how the employee retention was at the 9-1-1 center. Mr. Marvin explained that Chief Burke has presented a new report with ideas for improved retention. Mr. Gardner noted that it seems to be improved under Chief Burke's leadership already.

Mr. Doherty wanted to know why the Prosecutor Office salary/wage line increased. Mr. Olshefski explained the adjustments were due to added grant funds and increased PBA contract settlements, which are built-in. Mr. Gardner asked if the forfeiture funds are still arriving. Mr. Olshefski responded it has decreased from \$2,000,000 to \$600,000.

Mr. Olshefski explained that there will be a new Prosecutor appointed by the State mid year and that has a potential for restructuring and possible reduction in the salary/wage line.

Mr. Marvin noted that there may be four positions applying for retirement if Mr. Laky is not reappointed. Also it would be appropriate if the State took over this department cost altogether.

Mr. Marvin advised the Board that the State Medical Examiner is required to have an office in NJ so there is an increase in the operating expense. Mr. Doherty asked how many days does he spend servicing the county. His budget has potential for \$1,000 a day cost. Mr. Marvin responded that cost includes Dr. Mihalikis' staff and they are on call 24 hours a day.

Mr. Gardner noted a substantial increase in the utilities. Mr. Olshefski responded that the phone cost has increased per carrier; the phone portion includes local, long distance, cell phone and contracted services costs.

Mr. Doherty asked to have the phone use checked in more detail. Mr. Marvin explained that 2003 starts the electric deregulation and this cost is expected to increase substantially.

Mr. Doherty noted the budget has \$10,000 for a Recycling Coordinator and \$86,000 for the PCFA to run the center. Mr. DiMaio suggested that maybe there should be consideration to

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move the recycling segment over to the PCFA totally. He noted that this way residents going to the dump could also deliver their recycling at the same time.

Mr. DiMaio asked why there is more than a 10 percent increase to the salary /wage for the Building and Grounds Department. Mr. Olshefski explained the one vacant Sr. Maintenance position created overtime, longevity and shift differential costs. Mr. Marvin reminded the Board that this is the position that has been held pending the disposition of a criminal matter.

Mr. Gardner asked why the huge increase in the Mosquito Extermination Commission. Mr. Olshefski explained they had contractual 3 percent on the salary /wage and a 20 percent increase to the health insurance and operating expense for the annual pesticide applications.

Mr. Gardner asked how many employees are there in the Public Health Nurses. Mr. Olshefski responded there are 47 employees. Mr. Doherty noted that this department has been revised with better billing procedures and it improved the turnaround of receipts. He noted they bring in more revenue than the total cost of the Department. Mr. Marvin also explained that this department will be adding the new anthrax vaccination requirements handed down by the Federal Government. Mr. Doherty asked if Federal Government is funding. Mr. Marvin explained the Federal Government is covering the cost of the vaccine not the infrastructure costs to administer the vaccine throughout the county.

The Board had some questions relating to increased salary/wage and operating expenses to the Environmental Health Department, Warren Haven, Division of Senior Services and the Welfare Department. Mr. Olshefski explained the Environmental Health Department has 26 positions, some with high longevity and overtime recently, Warren Haven salary/wage line was contractual, Division of Senior Services had increases in operating expenses but they are supported by state funding so there is no direct cost and the Welfare Department went from \$1,000,000 in 2002 to \$2,900,000 in 2003 mainly due to the change over to the county and this is largely supported with Federal funds.

Mr. Doherty asked about the contracted services section for DARCC, NORWESCAP and ARC. Mr. Marvin explained they are covered by Peer Group funding from the State of NJ.

The Board reviewed the Education section and discussed options relating to the Warren County Community College request for an 8% increase and Warren County Technical School request for a 6% increase from 2002. The Board agreed that there are some operating costs but also agreed that the users need to fund some of the costs at the Community College. The Board discussed lowering the proposal somewhere around 3% for each with the final decision to be made during the Board of School Estimate meetings to be held in February with the College and March with the Technical School.

Mr. Doherty asked for an explanation of the provisional adjustment section of the budget. Mr. Olshefski stated that was set aside for potential new positions, contracts with bargaining units, and \$300,000 was for retirees unused sick days reimbursements. Mr. DiMaio asked to have this reduced; it appears some areas are duplications. Mr. Marvin suggested that the Board consider one budget meeting dedicated for discussion of all department salary /wages and the employment adjustments sections. The Board agreed.

The Board began review of the Pension / Disability contribution section. Mr. Olshefski stated that there was a reprieve from the State again in 2003. Mr. DiMaio responded that was good news however, we need to prepare now for future years when the state stops contributing. We have the resources and he would like to see something added specifically for this purpose. Mr. Doherty wanted to know why disability doubled. Mr. Olshefski explained that disability

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includes the Welfare staff added this year and unemployment. He explained that there were 4 individuals laid off and the unemployment fees increase.

Mr. Olshefski informed the Board of the Capital Improvement Plans from the various departments had originally totaled \$16 million, after his review with the Department Heads; it was reduced to \$12.1 million. There was also \$1 million in Grants available for some projects so the combined total was revised to \$13.1 million.

The Board highlighted some capital improvements items for review; in the Engineering Department road resurfacing see if there can be reductions for the asphalt materials. Mr. Gardner asked that the Bridge Department make sure the Bridge Bond funds are not restricted to be used by a specific time. The Superintendent of Schools had \$11,000 for a copier; Building and Grounds had a request for new Postal System equipment.

Mr. DiMaio stated he liked the fact that the resurfacing improvements are ongoing and that the budget supports the cost without borrowing. Mr. Gardner responded he agreed only it is unfortunate that there is a monopoly on asphalt suppliers right now. Mr. Doherty would like Engineering to reduce the resurfacing cost by 10%. Mr. Doherty also asked for a summary of the vehicle list to be replaced in the Roads Department. Mr. DiMaio wanted to know what Weights and Measures Department is purchasing

Mr. Olshefski responded that he will advise the County Engineer, but believes there are certain State regulations that require some road resurfacing work to be completed by a specific deadline. He also informed the Board that the Road department request includes equipment replacements and all vehicles are kept until 100,000 miles or more. Mr. Olshefski also explained the old vehicles are then put on the annual auction list for some recovery.

Mr. Olshefski stated there was a request for two 4wheel drive vehicles from Weights & Measure, as they are required to provide oil testing now. He explained this program would cover the cost of the vehicles requested.

Mr. Marvin explained the copier for the Superintendent of School is high speed, which will reduce printing cost. He also explained the Postal System equipment has been long overdue, as the mail has increased substantially. Mr. Marvin read a list of county facilities that will be needing expansion considerations in the future. He advised the Board that this budget item is to cover the expansion analysis cost only. Mr. DiMaio responded that it would be good to have something in writing with reasons listed from a professional.

Director Doherty called for a break at 1:15pm.

The Board returned to open session at 1:25 pm.

The Board reviewed the Library Board request for \$5.1million to build a new County Library. Mr. Marvin explained that there is only one change from 2002 to 2003 and that was to bring the library budget review process in line with the rest of the county budget.

Mr. Olshefski explained the Open Space Farmland Preservation tax increased and that will be the topic for review at the January 18<sup>th</sup> meeting. He also explained that he would research all their requests from today and respond to them on Saturday, January 18<sup>th</sup>.

The Board had a long discussion relating to the current Surplus amount and what short-term and long-term plans needed to be researched before determining what should remain or be added to the Surplus. Mr. Doherty stated that it is important to lower the tax levy to help offset state tax increases and if necessary, some of the Surplus would need to be used. Mr. DiMaio commented that once the County Tax Administrator reports the total anticipated tax revenue he would be willing to make some adjustments, however he wanted a plan to put some extra in the Surplus to make sure the tax levy was controlled for future years.

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Mr. Marvin reviewed topics for future budget meetings with the Board, January 15<sup>th</sup> for Personnel issues and January 18<sup>th</sup> for Open Space Tax increase and allocation of funds. The Board agreed.

On motion by Mr. Gardner, seconded by Mr. DiMaio, and there being no further official business to come before the Board at this time, the meeting was adjourned at 1:38 p.m.

ROLL CALL: Mr. DiMaio yes, Mr. Gardner yes, Mr. Doherty yes

***ATTESTED TO:***

***Tammy M. Lynn, Deputy Clerk***