

**MINUTES****JANUARY 18, 2003**

The Board of Chosen Freeholders of the County of Warren met in special budget hearing session in its offices in the Administration Building, Belvidere, New Jersey on January 18, 2003, at 9:10 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 CFO Charles Houck, Fiscal Analyst Dan Olshefski, County Administrator Steve Marvin, 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 OF JANUARY 18, 2003, 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.**

Director Doherty requested to begin the overview of the 2003 Open Space Trust Fund Budget Proposal. Mr. Houck distributed the proposed spending plan of the Open Space, Recreation and Farmland and Historic Preservation funds. He highlighted the increased tax, allocations and investment income on the report. He explained that \$30,000 was set aside for maintenance and conservation of the current parks acquired.

Mr. DiMaio asked if the acquisition request for Recreation would come from the Municipal and Charitable Trust section of the report. Mr. Houck explained that Municipal and Charitable Trust portion would cover any acquisition requests for Recreation, Municipal & Charitable and /or Farmland, what is not on the report is the 2002 canceled \$5.5 Bond to be used for all the Recreation Board acquisitions that will need to be reintroduced in 2003.

Mr. Gardner asked for clarification of the 55% and 45 % split that is shown on the report. Mr. Houck explained the reallocation of Open Space, Recreation, Farmland and Historic Preservation funds was done last year. The previous Board felt the funds would be put to better use by acquiring more Farmland so that is

where the 55% is now. The other 45% was allocated at 20% for Recreation acquisitions and 25% for the Municipal and Charitable Conservancy Trust. However, there was interest to have the whole 45% placed under the auspice of the Municipal and Charitable Conservancy Trust program and any of the three categories could be awarded once the appropriate applications were submitted and processed.

Mr. DiMaio stated that he understood the salary/wage increases but wanted to know how the Soil Conservation District and Warren County Ag Development sections were supported. Mr. Houck responded that Land Preservation are shown in the operating/expense columns of the Open Space Trust Fund and Soil conservation is in the general county budget.

Mr. DiMaio wanted to know what would happen if the Board decided to redirect the funds,

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considering the voters approved the additional 2¢ tax.

Mr. Houck explained that there are no restrictions or time restraints and the Board can alter the fund distribution by resolution.

Mr. Doherty agreed that the 55% allocation for Farmland Preservation is great, however he would like to see the remaining 45% directly returned to each municipality to decide what to do with the funds that were generated by their tax base. Mr. DiMaio responded that this idea is good, but how would it be monitored and it wouldn't seem right to just let funds sit dormant if any municipality doesn't preserve land. Mr. Doherty stated the funds also allow for park renovations beside land preservation. This would be helpful to the municipalities that do not have land to preserve. Mr. Marvin stated that the concept is correct however, the law states that any park renovation project would still be required to follow the standard procedures which are application review, follow-ups and inspections as the work is in progress and are required to continue until completion.

Mr. Doherty asked the Board if there was any support for his concept to decentralize the Municipal and Charitable Conservancy Trust and send the funds back to the local municipalities. Mr. DiMaio responded that if this happens he doesn't see any need to keep the Municipal and Charitable Conservancy Trust Fund Committee or the Board of Recreation Commissioners.

The Board and Mr. Marvin discussed at length their concerns relating to this idea. The Board agreed to schedule the March work session specifically to discuss the option of having 45% of the Open Space Trust Fund distributed back to each municipality. They felt this would allow the CFO and Fiscal Analyst time to prepare calculations and distributions dedicated for each municipality. The Board also agreed that they would like Special Counsel Sirkis & Lavery to review the legal

requirements.

Mr. Doherty called for a break at 9:45 a.m.

The Board returned to open session at 10:00 a.m.

Mr. Doherty stated that the Board agrees to have the Open Space Trust Fund allocations as the topic for the March 19, 2003 work session.

Mr. Marvin explained that if the budget is approved today Mr. Houck and Mr. Olshefski will work through the holiday to have the Introduction of the budget ready for the January 22, 2003 regular session.

Mr. Olshefski distributed the revised budget report with the six options to the surplus account. Mr. Marvin described all the adjustments that were processed from the previous budget hearings as requested.

Mr. Olshefski explained that the Library Budget generated a reduction of almost 16%. The total Library Tax is \$3,247,226.

Mr. Doherty reviewed the revised reports and noticed that the Engineering Department had a reduction and asked if the Shurts Road Bridge was removed. Mr. Marvin responded that the County Engineer received notice from the State that there will not be any funding for Bridge renovations that do not comply with the American Association of Highway Transportation Officials. Mr. Doherty commented that it just doesn't make sense. The Route 31

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situation needs two- lanes and the State has consistently delayed the plan, but because the County wants to keep this Bridge one-lane it will not approve funding.

Mr. DiMaio stated that he was okay with the capital list presented.

Mr. Gardner agreed and asked if there were any deficiencies in any of the Departments he should know about. Mr. Marvin responded that the Sheriff's Office should have the funds added for the defibrillator equipment. Mr. Olshefski mentioned that \$200,000 was reduced from the Information Systems budget for added network server capabilities and replacement computers.

Mr. Marvin concluded that the capital list is middle ground and fair for all the county departments. However, he did want to remind the Board that there is the potential for Assignment Judge Ross to drag the county into arbitration proceedings regarding the court house project. He suggested that they consider setting some funds in the capital budget for this purpose.

Mr. Doherty stated his concerns relating to the Court expansion. The Courts have managed to execute and deliver the laws that they set, which in his opinion is a disservice to the voters and taxpayers.

Mr. DiMaio noted that he doesn't deny Mr. Doherty's opinion. However; he feels that as elected officials we are expected to provide services based on facts. He described that in 1958 there were 58,000 residents in Warren County and the last census in 2000 showed that the population has grown to 120,000 residents. He feels that the Board does need to be prepared for at least the maintenance of the existing Court House. He asked the Board to look at the Court House next time they are there, it is deteriorating and it is a Historic Building in the County.

Mr. Gardner stated that he agrees with Mr. Doherty's concept of how the change of powers occurred which is not right. However, he also recognizes the fact that the maintenance issues still need to be addressed for the Court House. He believes this would be a collective decision of the Board to do what is right for this building, and not responding to the courts demands.

After some lengthy conversation the Board concluded that \$300,000 should be added to Capital Improvement for the Court House, not declaring a specific purpose for maintenance or expansion.

Mr. Doherty wanted to see changes in the revenue portion of the County Clerk section based on his conversation with Mr. Lee relating to the new fee schedule. Mr. Olshefski and Mr. Houck responded in detail with the history of this department revenue, procedure only allows that you appropriate what was received from the prior year and that is what was included in this budget.

Mr. Doherty asked why the uncontrollable expenses increased. Mr. Olshefski responded that they were for contractual salary/wage increments, which includes the employer tax and administrative costs. The total insurance costs increased mainly because the Welfare staff was included, the utility costs increased \$71,000 and the Tech School increase amount was \$270,000.

Mr. Houck explained that the current school estimate has a 6% increase allocated for 2003 however, he reminded the Board that the school FY runs July to July and there is potential for an increase to 8% after July 2003. Mr. Marvin responded that is why the Board has the School Estimate Meetings. Mr. DiMaio asked for clarification that if the Board appropriates an amount that action doesn't require that the total amount be released. Mr. Houck confirmed he was correct, and added that it is not advisable to reduce the appropriation too much.

Mr. Doherty stated the Tech School is too high with current inflation percentages. Mr. DiMaio responded that the expansion was to allow all the classes to be held at one facility and that would eliminate the rental space and cost. He stated that he would like to take 50% of the annual rental cost off the appropriation amount.

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Mr. Doherty called for a break at 11:10 a.m. to allow Fiscal Analyst Dan Olshefski to calculate the Technical School estimate changes.

The Board returned to open session at 11:25 a.m.

The Board continued discussion of the Technical School appropriation with Mr. Houck and Mr. Olshefski and concluded that \$64,000 would be reduced from the appropriation.

The Board discussed miscellaneous revenue matters, the notion that with respect to County Clerk Terry Lee the trend for mortgage refinancing will be on the decline and his anticipated revenue may not be what he expects, there was a loss on the investment income because interest rates have been declining.

Mr. Doherty wanted to know why the Medical Insurance costs are not reflecting the \$1.5 million reduction that Mr. May discussed earlier in the month. He also asked what if any is required relating to employee contributions toward the health insurance costs. Mr. Marvin responded that the report from Mr. May was only an estimate and the potential savings may be seen once the Administrator change was made, which is at best projected for midyear. As far as employee contributions, there are none at present however, this consideration could be discussed during contract negotiations.

Mr. Gardner stated that he was comfortable with all the reports that Mr. Olshefski presented during the budget process. His wife is a nurse and he wouldn't want to consider amending the Health Insurance appropriation at this time.

Mr. DiMaio suggested that the appropriation be changed from \$8.62 million to \$8.5 million. The Board agreed.

Mr. Olshefski recalculated the changes so the Board could proceed to the surplus options for a final budget decision.

The Board discussed at length their individual reasons relating to the surplus options presented, and concluded option B would be amended slightly with the amount to be raised by taxation for 2003 as \$46,414,014.00, which is an estimated tax reduction of 5.5¢ this year.

Mr. Marvin concluded that Mr. Houck and Mr. Olshefski will work through the holiday to have the Introduction of the Budget ready for the January 22, 2003 meeting and he asked Mr. Doherty to prepare the required budget message narrative. Mr. Doherty asked the Board for suggestions.

There were no closing public comments or questions.

On motion by Mr. DiMaio, seconded by Mr. Gardner, and there being no further official business to come before the board at this time, the meeting was adjourned at 12:30 p.m.

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

**ATTESTED TO:**

*Tammy M. Lynn, Deputy Clerk*