

**MINUTES****FEBRUARY 19, 2003**

The Board of Chosen Freeholders of the County of Warren met in a budget session in its offices in the Wayne Dumont, Jr. Administration Building, Belvidere, New Jersey on February 19, 2002 at 7:30 p.m.

The meeting was called to order by Director Doherty and upon roll call, the following members were present: Freeholder Michael J. Doherty, Freeholder Richard D. Gardner, and Freeholder John DiMaio. Also attending were Fiscal Analyst Daniel Olshefski, CFO Charles Houck, Assistant County Counsel Nancy Gage, 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 FEBRUARY 19, 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, AND BY PUBLICATION OF A NOTICE OF PUBLIC HEARING AND FINAL ADOPTION OF THE BUDGET IN THE JANUARY 30, 2003 EDITION OF 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 open the public hearing.

On motion by Mr. Gardner, seconded by Mr. DiMaio, at 7:33 p.m. the **PUBLIC HEARING ON THE WARREN COUNTY FISCAL YEAR 2003 COUNTY BUDGET.**

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

There were no public comments or questions regarding the public hearing on the Warren County Fiscal Year 2003 County Budget.

Director Doherty commented about the recent circumstances regarding the reduction of anticipated revenues reported by the Warren County Tax Board. He reported the reduction in revenues was approximately \$2,000,000 and he had requested the Tax Administrator and Tax Board President to meet tonight for an explanation of how this happened. Both the Tax Administrator Melissa Pritchett and Tax Board President Walter Orcutt had responded that due to the short notice they were unable to attend tonight's meeting. Mr. Doherty was disappointed with the time delay in receiving the report from the Tax Board and after receiving the report, he reviewed the county history of municipal valuation reports from the Tax Board, with his findings showing that this is the first time there was such a discrepancy.

Mr. Doherty described the process of determining valuations and ratios until a municipality orders a reevaluation, which usually occurs every ten years. He explained that without an explanation from the Tax Board he recommends that the Budget Hearing be adjourned for discussion at the February 26, 2003 regular scheduled meeting with the Tax Board to be present.

Mr. Gardner agreed and stated concerns relating to the advertising requirement for another public hearing. He noted that the Board has time constraints requiring specific procedures and filings of the budget after final adoption. Mr. Gardner noted that a good time was spent by this Board to prepare and present this budget and now there is a huge gap. Mr. Doherty noted that the county employees were exceptional with all the revised reports when the Board requested them. He doesn't believe this is the best situation to postpone the final adoption of the budget, but he feels the taxpayers

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need an explanation, hopefully that will occur at the February 26, 2003 meeting.

Mr. DiMaio asked if the first anticipated revenue report from the Tax Board was an estimate. Mr. Olshefski responded yes, and he read a portion of their original report confirming the final equalization would be known on February 26, 2003. Mr. DiMaio asked how the final equalization revenue figures are made. Mr. Houck explained that the State provides the Warren County Tax Board with ratios to apply and then each municipality is adjusted accordingly. Mr. Doherty responded that he called the State Tax Board and was given a different explanation.

Mr. DiMaio responded that it might be that the new Tax Administrator is more conservative than the prior Tax Administrator. He also noted that he was disappointed with the information that was just reported and asked if there is any potential for it to increase by the February 26<sup>th</sup> deadline. Mr. Houck explained how County Equalization is processed to his knowledge and stated that he is not an expert in the formulas that are used. He is not sure that there will be an increase.

Mr. DiMaio stated that he was willing to wait to adopt the 2003 budget.

Mr. Gardner noted that most municipal assessments range from 95-105%.

Mr. Olshefski responded not always, recently the five municipalities that were reassessed went from 108% to 114% which lowers the tax base. Mr. Houck noted too that when calculating inflation ratios this can happen with a major increase in the market values, then the assessments are changed and the equalization

countywide changes the overall anticipated revenues.

Mr. Doherty responded that he compared that scenario in Hunterdon County, which has many more hot markets and still the assessments were under 100% with a

few exceptions. He recommended adjourning the public hearing until answers could be received from the Tax Board. Assistant County Counsel Nancy Gage recommended that the Board advertise the continuance of the public hearing. Mr. Marvin responded that this can be accomplished by utilizing one of the alternate county newspapers. He also informed the Board that there is a scheduled meeting with the Warren County Chamber of Commerce to meet at 7:45 p.m. on February 26<sup>th</sup>. The Board asked Mr. Marvin to advertise continuance of the public hearing on the 2003 Budget and to inform the Chamber to reschedule their meeting at a later time.

**RESOLUTION 119-03**

On motion by Mr. Gardner, seconded by Mr. DiMaio, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on February 19, 2003.

**RESOLUTION RE: AWARD OF CONTRACT TO MATTHEW PAUL, CFE OF RUTHERFORD, NEW JERSEY FOR FORENSIC AUDIT SERVICES RELATING TO AN EXAMINATION OF THE POLLUTION CONTROL FINANCING AUTHORITY OF WARREN COUNTY AT AN HOURLY RATE OF \$125.00 AND TOTAL AMOUNT NOT TO EXCEED \$35,000.**

**WHEREAS**, there exists a need for forensic auditing services relating to an examination of the Pollution Control Financing Authority of Warren County; and

**WHEREAS**, Matthew Paul, CFE is in agreement with the Warren County Board of Chosen Freeholders that a material condition of this award of contract shall be the finalization of the referenced forensic auditing services and presentation of a report to the Warren County Board of Chosen Freeholders by no later than May 14, 2003; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. 40A:11-5(1)(a) et. seq.) requires a resolution authorizing the award of contracts for "Extraordinary, Unspecifiable Services" without competitive bids and the contract itself must be available for public inspection; and

**WHEREAS**, the Director of Purchasing has certified that this meets the statute and regulations governing the award of said contracts,

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**NOW THEREFORE BE IT RESOLVED**, by the Board of Chosen Freeholders of the County of Warren as follows:

1. An agreement with Matthew Paul, CFE, of Rutherford, New Jersey for the aforesaid services, a copy of which is on file in the Office of the Director of Purchasing and is made a part hereof by reference, is hereby approved and shall be entered into by this Board.
2. This contract is awarded without competitive bidding as an "Extraordinary, Unspecifiable Service" in accordance with 40A:11-5(1)(a) of the Local Public Contracts Law because the services defined cannot reasonably be described by written specifications to assure that the qualitative and quantitative assessment of the problems involved, which require expertise, extensive training and proven reputation in the field of endeavor are obtained.
3. A notice of this action shall be published in the Star Gazette.

Funding for this contract is provided in trust account 34335/5100 – Eq/EF Environmental Health Trust Fund

Mr. DiMaio commented that there should be no subpoenas issued to the volunteer authority members, the investigation and audit questions should remain with the staff at the PCFAWC. He didn't want to see the authority members / volunteers have to use any time off from their work to answer questions during this investigation / audit.

Mr. Doherty explained that he wants to get an independent evaluation of PCFAWC funding and how that will affect the future stability for expansion and / or closure. He agreed with Mr. DiMaio that the PCFAWC staff would be the direct provider of information. This resolution will give our Consultant the authority to request the information from the staff at the PCFAWC.

Mr. Gardner stated that he understood this to be true, only the staff will be contacted not the volunteer authority members.

Mr. DiMaio asked where the \$35,000 will come from for this professional service contract. Mr. Marvin explained that he reviewed this with Mr. Olshefski and it was determined that the certified account would be the Environmental Health Trust Fund for now with a transfer of funds to be done in November.

I hereby certify the above to be a true copy of a resolution adopted by the Board of Chosen Freeholders of the County of Warren on the date above mentioned.

Tammy M. Lynn Deputy Clerk

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

**RESOLUTION 120-03**

On motion by Mr. Gardner, seconded by Mr. DiMaio, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on February 19, 2003.

**RESOLUTION APPOINTING FREEHOLDER DIRECTOR MICHAEL J. DOHERTY, FREEHOLDER DEPUTY DIRECTOR RICHARD D. GARDNER, AND FREEHOLDER JOHN DIMAIO TO A COMMITTEE ESTABLISHED BY THE BOARD OF CHOSEN FREEHOLDERS PURSUANT TO N.J.S.A. 40:20-82 ET. SEQ. TO REVIEW AREAS OF CONCERN WITH RESPECT TO PCFAWC AND APPOINTING MATTHEW PAUL, CFE AS AN ADJUNCT MEMBER OF SAID COMMITTEE AUTHORIZED TO TAKE ACTION IN ACCORDANCE WITH N.J.S.A. 2A:67A-1. ET. SEQ.**

**WHEREAS**, the Board of Chosen Freeholders has periodically received information with respect to financial difficulties facing the PCFAWC, including difficulties paying debt service on the Warren County Resource Recovery Facility and Landfill, and in providing adequate landfill closure funds; and

**WHEREAS**, the Board of Chosen Freeholders desires to appoint each of the members of

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the current Freeholder Board to serve on a committee created pursuant to N.J.S.A. 40:20-82 et. seq. to review such financial difficulties facing the PCFAWC, and any and all issues incident thereto; and

**WHEREAS**, the Board of Chosen Freeholders desires to appoint Matthew Paul, CFE as an adjunct member of said committee and further desires to authorize action in accordance with N.J.S.A. 2A:67A-1 et. seq.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Board of Chosen Freeholders of the County of Warren of hereby approve the appointment of Michael J. Doherty, Freeholder Director; Richard Gardner, Freeholder Deputy Director; and John DiMaio, Freeholder, to serve as a Committee established pursuant to N.J.S.A. 40:20-82 et. seq. to review and report on areas of concern with respect to the PCFAWC, and further appoints Matthew Paul, CFE as an adjunct member of said committee authorized to take action in accordance with N.J.S.A. 2A:67A-1 et. seq.

I hereby certify the above to be a true copy of a resolution adopted by the Board of Chosen Freeholders of the County of Warren on the date above mentioned.

Tammy M. Lynn Deputy Clerk

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

Under Freeholder comments, Mr. DiMaio asked why the Open Space Bond Ordinance was removed from the first agenda he had received, and stated concerns that there are potential land preservation agreements being held up by this delay.

Mr. Doherty responded that with the new information from the Tax Board, he wanted to devote the meeting to budget discussion.

Mr. Gardner reported that he will be attending the next Smart Growth/Economic Development meeting hosted by N.J.A.C.

Mr. Doherty asked Mr. Marvin to send a written request to the Warren County Tax Board Administrator and President requesting that they attend the next Freeholder meeting on February 26, 2003.

Under closing public comments, David R. DeGerolamo, Phillipsburg, NJ told the Board he represents the Hillcrest area of Phillipsburg that was recently reassessed with dramatic increases in their taxes. He explained the statute amendment that allowed their local tax assessor authority to spot reassess this area of Phillipsburg and that between June of 2001 and June of 2002 it was determined that his property was off 79% creating a huge increase in his taxes. He advised the Board that requests to the Warren County Tax Administrator to attend a Phillipsburg Town Council meeting was ignored.

Mr. DeGerolamo explained that he wanted the Board to know what has happened in Phillipsburg regarding spot reassessments. Mr. Gardner asked what Mayor Wyant was doing for them. Mr. DeGerolamo explained that his group sent letters requesting that the local Tax Assessor attend a meeting, and she never attended. He was hoping the Board of Freeholders could require the County Tax Board by resolution to instruct the Phillipsburg Tax Assessor to attend the Phillipsburg Town Council meetings to have this situation of spot assessment discussed publicly.

Mr. Doherty responded that this Board has no jurisdiction over the municipal tax assessor and suggested that his request go before Phillipsburg Town Council. He concluded asking Mr. DeGerolamo for his full address and phone number so that if some new information is obtained the Board would have it communicated to him as soon as possible.

Under press comments or questions, there were none.

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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 8:32 p.m.

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

***ATTESTED TO:***

*Tammy M. Lynn, Deputy Clerk*