

MINUTES

JANUARY 26, 2008

The Board of Chosen Freeholders of the County of Warren met in Budget Session in its offices in the Wayne Dumont, Jr. Administration Building, Belvidere, New Jersey on January 26, 2006 at 9:14 a.m.

The meeting was called to order at 9:14 a.m. by Director DiMaio who apologized for running a bit late. Upon roll call, the following members were present: Freeholder John DiMaio, Freeholder Richard Gardner and Freeholder Everett Chamberlain. Also attending were CFO Charles Houck, Fiscal Analyst Dan Olshefski and County Administrator Steve Marvin.

The Pledge of Allegiance was led by Director DiMaio.

Director DiMaio read the following statement: **“ADEQUATE NOTICE OF THIS MEETING OF JANUARY 26, 2008 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-LEDGER, AND DAILY RECORD 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. Chamberlain said he appreciated the opportunity to meet with representatives from Warren County Community College (WCCC), Warren County Technical School (WCTS) and Warren County Special Services School District (WCSSSD) at this time. It worked out well last year and this way, the Boards of School Estimate Sessions are more of a formality. Mr. DiMaio agreed, noting that the budget timelines are “kind of backwards”.

Present on behalf of WCCC were Will Austin, President of the College; David Boone, Chairman of the Board of Trustees; Holly Mackey, Finance Chair, Board of Trustees and Barbara Pratt, CFO.

Dr. Austin requested the County increase its funding by about 3.5 percent or \$78,216. At this time, the amount of State support is unknown, but is expected to remain flat, if not decrease. There are no immediate plans to increase tuition or fees, but the Trustees will make a final decision in May when the amount of State funding is known. It is likely there will be a tuition increase of some kind at that time. If State funding is reduced significantly, staff cuts will be considered.

Major budget changes from last year include the following:

- A four percent faculty salary increase and three percent non-faculty salary pool. A continued freeze on the salaries of three key executives is assumed.
 - One new faculty position and a faculty replacement for a total of 26 faculty positions in FY '09.
 - An additional \$100,000 in funds to support the building addition occupancy in Spring 2009.
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- A 10 percent increase in health benefits costs commencing January 2009. WCCC's health plan is through the State of New Jersey.

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- Other miscellaneous cost increases for utilities and fringe benefits although FY '09 will be the last year of the pension cost phase-in for colleges.

A question and answer session followed in which further details were provided regarding health care, pension contributions, the STARS Program and travel expenses.

It was revealed that 40 percent of all classes must be taught by a full-time faculty member. This has presented a problem since two full-timers are going on sabbatical.

Both Mr. Chamberlain and Mr. Gardner were pleased with the format presented and the amount of detail provided.

Mr. DiMaio asked how the new building addition was coming along. Dr. Austin said on the advice of counsel, the group should enter Executive Session to discuss it. Mr. Chamberlain said a situation had come to his attention just this morning and he would like to be fully briefed at this time.

RESOLUTION 93-08

On motion by Mr. Chamberlain, seconded by Mr. Gardner, at 9:41 a.m., the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on January 26, 2008.

A RESOLUTION AUTHORIZING EXECUTIVE SESSION OF THE WARREN COUNTY BOARD OF CHOSEN FREEHOLDERS PROVIDING FOR A MEETING NOT OPEN TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF THE NEW JERSEY OPEN PUBLIC MEETINGS ACT, N.J.S.A. 10:4-12

WHEREAS, the Warren County Board of Chosen Freeholders is subject to certain requirements of the *Open Public Meetings Act, N.J.S.A. 10:4-6, et seq.*, and

WHEREAS, the *Open Public Meetings Act, N.J.S.A. 10:4-12*, provides that an Executive Session, not open to the public, may be held for certain specified purposes when authorized by Resolution, and

WHEREAS, it is necessary for the Warren County Board of Chosen Freeholders to discuss in a session not open to the public certain matters relating to the item or items authorized by N.J.S.A. 10:4-12b and designated below:

(1) *Matters Required by Law to be Confidential*: Any matter which, by express provision of Federal law of State statute or rule of court shall be rendered confidential or excluded from the provisions of the Open Public Meetings Act.

(2) *Matters Where the Release of Information Would Impair the Right to Receive Funds*: Any matter in which the release of information would impair a right to receive funds from the Government of the United States.

(3) *Matters Involving Individual Privacy*: Any material the disclosure of which constitutes an unwarranted invasion of individual privacy such as any records, data, reports, recommendations, or other personal material of any educational, training, social service, medical, health, custodial, child protection, rehabilitation, legal defense, welfare, housing, relocation, insurance and similar program or institution operated by a public body pertaining to any specific individual admitted to or served by such institution or program, including but not limited to information relative to the individual's personal and family circumstances, and any

material pertaining to admission, discharge, treatment, progress or condition of any individual, unless the individual concerned (or, in the case of a minor or incompetent, his guardian) shall request in writing that the same be disclosed publicly.

(4) *Matters Relating to Collective Bargaining Agreements*: Any collective bargaining agreement, or the terms and conditions which are proposed for inclusion in any collective bargaining agreement,

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including the negotiation of the terms and conditions thereof with employees or representatives of employees of the public body.

(5) *Matters Relating to the Purchase, Lease or Acquisition of Real Property or the Investment of Public Funds:* Any matter involving the purchase, lease or acquisition of real property with public funds, the setting of banking rates or investment of public funds, where it could adversely affect the public interest if discussion of such matters were disclosed.

(6) *Matters Relating to Public Safety and Property:* Any tactics and techniques utilized in protecting the safety and property of the public, provided that their disclosure could impair such protection. Any investigations of possible violations of the law.

(7) *Matters Relating to Litigation, Negotiations and the Attorney-Client Privilege:* Any pending or anticipated litigation or contract negotiation in which the public body is, or may become a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer.

(8) *Matters Relating to the Employment Relationship:* Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance or promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all the individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed at a public meeting.

(9) *Matters Relating to the Potential Imposition of a Penalty:* Any deliberations of a public body occurring after a public hearing that may result in the imposition of a specific civil penalty upon the responding party or the suspension or loss of a license or permit belonging to the responding party bearing responsibility

NOW, THEREFORE, BE IT RESOLVED by the Warren County Board of Chosen Freeholders, assembled in public session on January 26, 2008 that an Executive Session closed to the Public shall be held on January 26, 2008 at 9:41 a.m. in the Freeholders Conference Room located at the Wayne Dumont, Jr. Administration Building, 165 County Route 519 South, Belvidere, New Jersey 07823 for the discussion of matters relating to the specific items designated above.

It is anticipated that the deliberations conducted in closed session may be disclosed to the public upon the determination of the Warren County Board of Chosen Freeholders that the public interest will no longer be served by such confidentiality.

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 at a meeting held on January 26, 2008.

Steve Marvin, Clerk of the Board

Recorded Vote: Mr. Chamberlain yes, Mr. Gardner yes, Mr. DiMaio yes

On motion by Mr. Chamberlain, seconded by Mr. Gardner, the Board adjourned executive session at 9:58 a.m. and returned to open session.

Recorded Vote: Mr. Chamberlain yes, Mr. Gardner yes, Mr. DiMaio yes

Upon return to Open Session, the WCCC portion of the meeting concluded and the following WCTS representatives approached the Board to begin their budget presentation: Robert Glowacky, Chief School Administrator; Ed Zalewski, the new Business Administrator

effective February 11; Ed Pladdys, Interim Business Administrator and Board President of Sussex County Technical School and Bradley Bartow, Board of Education Member.

Mr. Glowacky went over a handout itemizing School Building Improvement and Upgrade Projects. He said the school is experiencing more and more failures of equipment and other unexpected challenges associated with the 40 year old building. Among the 10 items on the list, the following projects and corresponding cost estimates were deemed high priority:

- Replacement of a hot water heater in maintenance shop - \$85,000

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- Phases III and IV of roof replacement - \$150,000 and \$175,000, respectively
- HVAC work - \$28,000
- Finish installation of exterior wall panels - \$150,000 total (\$10,000 per section)
- Additional electrical work to maintain and service electrical heaters - \$25,000

A separate list of 10 Program Improvement and Upgrade Projects was also distributed. High Priority programs:

- Installation of a security camera surveillance system and main entrance doors controlled from the front office - \$30,000
- 150 laptop computers for incoming freshmen - \$150,000
- Purchase of short school buses - \$120,000
- Child Development Program startup - \$50,000
- Staff increases in Math, Health, Science, HVAC, Electrical Trades - \$200,000

After Mr. Glowacky explained his justification for each request in detail, Mr. Chamberlain urged him to get to the "bottom line". Mr. Marvin noted that all these requests were over and above the \$3,995,172 the County was slated to fund the WCTS, the same as last year. Mr. DiMaio pointed out a 20 percent increase in State Aid to WCTS next year – equal to approximately \$504,000 – was expected. This increase is guaranteed for three years and is likely to go up as enrollment increases.

WCTS cost per student is about \$14,000/year. Tuition charged per pupil is \$2,175; \$3,500 for Special Education. WCTS is carrying slightly more than \$700,000 over allowable surplus which is set to be returned to the County.

Considering the increased State Aid, it was decided the County would flat-fund WCTS and roll the surplus back to them for funding capital projects. The Freeholders also requested a prioritized list of projects planned for the current year.

The WCTS portion of the meeting concluded at 11:12 a.m. followed by a short break.

Present to begin the WCSSSD portion of the meeting at 11:20 a.m. were Superintendent Regina Swierc and Business Administrator Jean Flynn.

Ms. Swierc said WCSSSD serves a small number of students – currently 59 – who have great needs. Of these, eight students are from outside Warren County. A comprehensive set of services are provided to address the therapeutic, academic and emotional needs of this population, some of whom suffer from severe disabilities. Specialized

equipment is often required. Once an individual is classified, the district must provide for the student until the age of 21. Ms. Swierc said flexibility helps WCSSSD serve the needs of the County.

Parents can demand their Special Needs children attend private schools with upgraded facilities such as swimming pools. It is challenging to try to keep tuition at a competitive rate in such situations.

Presenting another challenge has been an adjustment to the age range stipulation. The range of ages that can be grouped together went from four years to three years, requiring more classrooms. There is adequate space in the elementary schools, but additional high school space is not available in Warren County.

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After five years of flat funding, State Aid increased by two percent last year. Ms. Swierc said WCSSSD is funded at the second lowest level of all eight Special Services School Districts in the state. WCSSSD is reimbursed at a rate of 95 percent of costs in excess of \$40,000 per pupil per year.

WCSSSD is now faced with a crisis because for the first time, the State is implementing a general fund balance adjustment for all Special Services School Districts. This is a tuition adjustment in which a cumulative fund balance surplus in excess of 10 percent must be returned to the sending districts. Although this was supposed to have been done all along, it had never been implemented by the State and there was no mechanism in place to do so. The requirement is now being fulfilled due to recent precedent setting litigation.

The State of New Jersey Department of Education (DOE) was demanding a tuition adjustment based on the 04/05 School Year, but that money has been spent. In May, the DOE agreed to recalculate the 04/05 tuition adjustment based on the June 30, 2007 audited fund balance. WCSSSD currently owes sending districts \$220,000 to be paid out over two years for the 04/05 tuition adjustment. However, the 05/06 tuition adjustment still included the net cost adjustment which is duplicated in the general fund balance adjustment. Further communication with DOE is required to correct the error in the formula. The calculations are complex, especially since the sending districts may change from year to year.

Mr. Chamberlain said it sounded to him as if the State was pushing for consolidation. If WCSSSD is having problems keeping everything going and the competition with private schools is severe, maybe it's time to look at consolidating with another district.

The Freeholders asked questions regarding WCSSSD's administration, faculty and staff structure, budgeted travel and professional development programs and how surrounding counties handle Special Needs Education requirements. Mr. Chamberlain thought they needed to look at their operation. Mr. DiMaio said he didn't think the Technical School should be charging WCSSSD so much in rent.

In Budget Scenario B provided by WCSSSD, County Aid in the amount of \$196,072, about 3.5 percent above last year, was requested. Other budgeted amounts in the scenario would require the closure of three classes and the layoff of a part-time staffer. The Board preferred this to higher expenditures outlined in Scenario A.

However, the \$220,000 required to pay off the previously described tuition adjustment puts the budget way over CAP. Mr. Marvin asked for documentation of the directive from DOE as the County may have to apply for a waiver.

Mr. DiMaio told Ms. Swierc and Ms. Flynn that they may be asked to come back to finalize the agreement. He wanted to try and get them some relief on rent paid to WCTS and reiterated that there may be a CAP problem.

Ms. Swierc thanked the Board for "taking the time to try and understand". The WCSSSD portion of the meeting concluded at 12:32 p.m.

For the next Budget Session to be held on Wednesday, January 30, it was established that the meeting would open as usual at 7:30 p.m. and immediately go into Executive Session for about 30 minutes to discuss the WCCC Building situation. Other topics to be discussed that evening will be the County's Capital Improvement Budget and whether to pursue an appeal of the recent Highlands suit dismissal.

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Mr. Houck provided updated Budget analysis figures and requested the Board review the numbers prior to Wednesday's meeting. He said he is still awaiting CAP information from the State. The big question is how much the State's health insurance expenses increased. Mr. Houck also distributed information on Open Space Tax Revenue calculated at rates of \$0.04 and \$0.06.

On motion by Mr. Chamberlain, seconded by Mr. Gardner, and there being no further business to come before the Board at this time, the meeting was adjourned at 12:41 p.m.
Recorded Vote: Mr. Chamberlain yes, Mr. Gardner yes, Mr. DiMaio yes

ATTESTED TO:**Steve Marvin, Clerk of the Board**