

MINUTES**FEBRUARY 23, 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 February 23, 2008 at 9:04 a.m.

The meeting was called to order by Director DiMaio and 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 FEBRUARY 23, 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.”**

For comparison purposes, Mr. Houck presented three different scenarios for addressing the CAP problem. Per the Board's instructions, all three reflected reductions in Operating Expenses (OE) and Salaries to 2007 levels where possible, for a total savings of \$139,210. Option One reduced WCTS's (Warren County Technical School's) OE by \$721,568 and increased the County's Capital Improvements Line by the same amount. Option Two took the same dollar amount out of the County's medical trust fund, decreasing the amount to be raised by taxation. Option Three was a combination of the first two, reducing WCTS's OE by \$285,000 and the medical trust by \$500,000.

Mr. Houck said the WCTS Administration held a meeting regarding this change. Although they were not happy, they pledged to work with the County to help solve the CAP problem. They do expect to recoup the \$285,000 next year, however.

Mr. Olshefski provided an itemized summary of changes to the budget since the last meeting. Included was an estimated tax rate reduction of .55 cent per \$100 of assessed value, equal to about \$700,000. In a nutshell, Mr. Houck and Mr. Olshefski said we're spending more than we're generating, a practice that obviously can't be sustained. Interest rates are down significantly. Mr. Chamberlain wondered if rather than reducing the tax rate, the \$700,000 should be put into Capital.

Mr. Olshefski said 2009 is going to be a critical year and we need to start planning for it as soon as possible. In the year 2010, we'll be caught up with the phased-in increases for pensions and debt service goes down. Mr. Houck noted that when debt service drops, it does not help with the CAP.

Mr. DiMaio said the better you are in terms of managing debt, the more the State punishes

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you. Maybe it makes sense to bond \$8 million to obtain \$800,000. "The State has set us up to force us to borrow," said Mr. DiMaio.

Regarding WCTS, Mr. Houck said he had just recently received audit reports for 2005, 2006 and 2007, but hadn't had the opportunity to study them yet. Mr. Marvin thought the 20 percent infusion of State Aid WCTS is expecting is supposed to be returned as property tax relief in which case, the County should be able to reduce aid to the school by 20 percent. Mr. Chamberlain said WCTS has to keep the school maintained and productive, but they need to be more transparent as to how much money they're carrying. These are taxpayer dollars. Mr. Gardner agreed, saying we need concrete numbers.

Mr. Houck said maybe it makes sense for the County to hold onto the money for WCTS Capital Improvements as we are doing with WCCC (Warren County Community College). Mr. Chamberlain thought we should, citing the cafeteria renovation project which was mismanaged by previous administration. Although there was general agreement that if the County is going to fund capital needs of the educational institutions, the County should keep control of the money. Mr. Chamberlain thought we should ease into the approach so as not to offend. Mr. Marvin thought perhaps the WCTS Administration is now stable, especially with their new CSA and Business Administrator.

Mr. Marvin noted that this budget does not include the \$160,000 for WCSSSD (Warren County Special Services School District). Mr. DiMaio asked if the expected increased State Aid was definitely coming through. Mr. Marvin confirmed it had indeed passed, although he wasn't sure about Abbott Districts.

A lengthy discussion about the tax rate ensued. Although the presented budget included a tax rate reduction of .55 cent – from 49.8 to 49.25 – in dollars, the budget is actually increasing by \$4 million. Mr. Chamberlain again asked if not reducing the tax rate should be considered. Mr. Gardner said he thought it was important to keep the budget flat.

Mr. DiMaio advocated taking a penny or two out of the Open Space Budget to put toward capital projects, a concept he had introduced at the first Budget Session of the year. Mr. Gardner said from his dialog around the County, people expect the appropriated levels to remain constant. Mr. Chamberlain saw no problem with utilizing Municipal & Charitable Conservancy Trust Funds (MCCTF) for Court House renovations, being an historic structure. "What's the difference?" Mr. DiMaio asked. The difference is perception, Mr. Chamberlain said. The voters approved 6 cents for those three categories and do not want that money used for something they didn't vote for. Historic buildings are part of our heritage and what we achieved with the Warren Home is an example of preserving and maintaining an historic structure for practical use, said Mr. Chamberlain. He conceded that Mr. DiMaio's idea made practical sense; he just didn't think it would be palatable to the public.

Mr. DiMaio argued that in today's dollars, 4 cents is equivalent to what 6 cents was in 2002 when the Open Space Referendum passed. Mr. Gardner wasn't so sure and thought it was important to maintain the current level. Mr. Chamberlain noted that the State is not living up to its promise of Farmland Preservation funding.

Mr. DiMaio said he was not in favor of using MCCTF money for Court House renovations, only for the exterior, he stressed. He thought any other use was "muddy". Mr. Chamberlain did not agree.

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The problem is, Mr. Chamberlain said, we're obligated to these Capital Projects. The Bar Association has sued us to make improvements to the Court House. Government has grown, which has a lot to do with State mandates. They give grants for programs, then they pull out and the County has to pick up the costs. We have to cut programs and utilize the tax rate reduction money to put toward capital, Mr. Chamberlain said. Every time they make a new law, it takes some of our freedom away and costs us money, he said.

It was decided to move on to another topic and stay with Option Three as presented with the .55 cent tax rate reduction.

Attention then turned to the Library Budget. A large surplus was carried over from the prior year for a couple of reasons. Extra funds had been budgeted for a program that never got off the ground last year – extended Saturday hours during the summer – but is expected to be implemented in 2008. Also, \$180,000 is frozen in surplus for a new bookmobile. Mr. DiMaio thought the need for a bookmobile should be reevaluated. Today, with the internet and all the branches available, he didn't think it was necessary and perhaps a van would do. We add things and never take away those that are out of date, he said. Mr. Chamberlain seemed to be in agreement. Both Mr. Gardner and Mr. Olshefski thought Library Director Richard Moore should be given the opportunity to come in and make a case for it. Mr. Marvin said he would ask Mr. Moore to do an analysis and have Library Commission Members weigh in as well.

Mr. DiMaio said the Northeast Branch is the most deficient branch in the system. He would rather see funds earmarked for the bookmobile go toward improving that location. Mr. Marvin noted that a southern branch may have to be added to the system to replace Phillipsburg if we terminate the Federation Agreement. The contract is currently being evaluated and is expensive to the County. Hackettstown Library may opt in as a branch.

Mr. Chamberlain said he agreed with Mr. DiMaio that we don't need a bookmobile, but a van would be okay. Mr. Marvin said libraries touch more taxpayers than anything else. More citizens use the Library System than Welfare, Senior Services, etc.

The Library Budget was accepted as presented.

Next to be discussed was the Open Space Budget. Mr. Chamberlain said the only funds that will be available for the program are those that we are generating. If we want a viable program, we need to keep as much money in there as possible, he said.

Mr. DiMaio asked about a new position that had been requested by the Planning Board. Mr. Gardner said they were hoping to have a supervisor or ranger on staff. He thought these duties were already being carried out by the Department of Land Preservation. A similar position had existed at one time, but was eliminated by Mr. DiMaio and Michael Doherty in 2000. Mr. Chamberlain viewed the request as the beginning of a County Parks Department which he did not think was necessary.

All three Freeholders were in agreement that recreational opportunities should be tailored to fit niche areas within the municipalities. Conservation management as being provided by the Musconetcong Watershed Association and the Heritage Conservancy is the way to go. A lot of land, such as Delaware Water Gap Recreation Area and Stephens & Allamuchy Mountain State Parks are already being managed.

The percentage allocation of funds in different divisions of the Open Space Budget can be adjusted at any time during the year. It was pointed out that administrative costs and operating

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expenses have been kept down. Mr. Gardner said he understood the new Confidential Assistant is doing a very good job.

Mr. DiMaio stressed more than once that if MCCTF funds were to be taken out for Court House renovations, they should only be used for the exterior. Mr. Chamberlain thought being a designated historic structure in a designated historic district, the structure and integrity of the Court House are eligible for fund use. Mr. DiMaio didn't want to spend this money only to be challenged at a later date and have to pay it back. The State Historic Preservation Office (SHPO) was brought up. Mr. Marvin said their concern is the exterior.

The meeting recessed for a 15 minute break at 10:38 a.m.

Upon return, the Board was presented with a list of personnel requests for their consideration that had been prepared back in late summer/early fall. The list included requested promotions, salary adjustments, status changes and new positions. Mr. Marvin said given the current budget environment, there was very little he would recommend.

There are provisions in the budget for salary adjustments for new employees which also cover elected/unclassified/appointed individuals and contract settlements. There are two open labor agreements that have yet to be settled. One is expected to be settled shortly, but the other probably not until 2009 at the earliest. The Board did not have to decide today; any adjustments can be done by resolution at a later date.

The Prosecutor only recently learned that his Victim/Witness Program funding was going to significantly decrease, an additional request not itemized on the list.

Mr. Marvin did strongly recommend the retention of Public Safety's Domestic Preparedness Planner, a position that had formerly been grant-funded. This individual obtains more money in grants than he makes in a year and is not on the benefit plan. Mr. Marvin was in favor of increased hours for the Fire Academy Coordinator and a raise in pay for the instructors.

Mr. Marvin said he was also inclined to recommend a legal services division within the Adjuster's Office which would entail one salary increase and one new position.

Mr. Gardner asked if there was any cushion in each department's Salaries and Wages Budget. Mr. Houck said the only cushion would be if someone were to quit.

Regarding the proposed closure of Warren Acres, Mr. Marvin said it makes sense now to contract it out since the number of juvenile detainees is so low. It costs the County about \$225,000 per year per detainee. It is possible, however, that there will be a major increase in

this population in the future. It won't be as easy to re-start a juvenile hall as it is to close it down, he cautioned. Mr. Chamberlain asked if the facility would be used to house adult females. Mr. Marvin said it would more likely be trustees. The Board wanted to move in the direction of closure.

By forming a consolidated Department of Public Works, Mr. Marvin didn't think there would be a substantial lowering of staffing levels, if any.

There are a few divisions in Warren Haven that operate at a loss, Mr. Marvin said. Food service, laundry service and maintenance were given as examples. Should these services be contracted out? After some discussion, it was decided to re-examine Sam Penza's report on these matters from 2006.

Mr. Chamberlain wondered if expenses associated with the Cultural & Heritage

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Commission could be funded with Open Space dollars. It was estimated that the entire operation, taking into consideration requested personnel adjustments, would cost about \$150,000 for the year. A conservation group manages White Lake Natural Resource Area, so maybe the Shippen Manor Property would qualify.

Regarding opting in to the State Health Benefits Plan, Mr. Marvin said CAP compliance would be off the table, but if it increases 20 percent for example, we're going to have to come up with that money. He fully expects double digit increases next year and beyond. Mr. DiMaio said all the major health plans are about the same. Mr. Houck said the only advantage of going into the State Plan is that the CAP problem goes away.

A few changes to the County's Personnel Policies will be on the agenda for the Board's next Regular Session. Changes to the health plan will affect elected, appointed and unclassified employees as of April 1. Individuals hired after that date will not be eligible for lifetime health benefits upon retirement.

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 11:40 a.m.

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

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