

MINUTES

JANUARY 21, 2009

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 21, 2009 at 7:05 p.m.

The meeting was called to order at by Director Gardner and upon roll call, the following members were present: Freeholder Richard Gardner, Freeholder Everett Chamberlain and Freeholder John DiMaio. Also attending were CFO Charles Houck, Fiscal Analyst Dan Olshefski, Assistant County Counsel Erik Hassing and County Administrator Steve Marvin.

The Pledge of Allegiance was led by Director Gardner.

Director Gardner read the following statement: **“ADEQUATE NOTICE OF THIS MEETING OF JANUARY 21, 2009 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. Gardner promptly turned the meeting over to Mr. Houck for an overview. The County faces a very serious problem due to the restrictive CAP Law, began Mr. Houck. A dramatic drop in revenue from new construction compounds the problem. Unemployment benefits having been extended from 36 to 52 weeks will likely have an impact as well given the recent layoff of Warren Acres' employees. While an expected increase in appropriations for out of county college chargebacks due to increased enrollment will impact the overall budget, at least this falls outside the CAP. A bit of good news: the State extended the deadline for budget introduction to March 5 with budget adoption to take place by April 1, 2009.

As it stands now, the 2009 Budget decreased from last year by more than \$800,000. The amount to be raised by taxation decreased more than \$200,000. Mr. Olshefski said this has been a very challenging budget in a lot of ways. Wall Street reached historic lows; most revenues are down including those generated by the County Clerk and no growth in ratable revenue is expected. Mr. Marvin noted that no revaluations are on the books either. Still unknown is the total equalized valuation. That number could slip backwards meaning the tax rate would generate fewer dollars.

Mr. Olshefski said there is some good news, however. The County's debt service is finally dropping off and about \$900,000 in FEMA/Tropical Storm reimbursement is finally coming in. Mr. Houck agreed, "We're holding our own", but even if the economy improves, the CAP is not going away. Next year, PERS contributions will be back inside the CAP and we expect that cost to go up dramatically. As for the debt service going down, that actually hurts us in the calculation. "The fallout of this could be devastating," Mr. Houck said.

Mr. Marvin noted a few significant changes since the last Budget Session held on November 5, 2008. Appropriations were "firmed up" in insurances, psychiatric commitment costs and unexpected revenues. Not much else has changed, but the Board still needs to talk about the Capital portion of the budget and any other area that requires further examination.

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Mr. Chamberlain was under the impression that the Prosecutor's Office budget was to have been decreased to last year's level. Mr. Marvin said no official action had been taken in that regard though he did have an unpleasant conversation with the Prosecutor concerning staff reductions.

Mr. Houck said he understands the philosophy of the CAP Law. The State wants to shrink government spending, just not their own. This is a long term problem, he said. We can't keep cutting every year or eventually we will be left with zero. This means fewer people – be it those plowing snow or providing human services. We can't touch the Communications Center or Corrections. We can't exactly ask the inmates to sit tight and wait for the next shift to arrive.

Lack of growth in the area is part of the challenge. Mr. DiMaio said the Highlands restrictions contribute to the problem. Mr. Gardner agreed and said COAH regulations hurt us too. Mr. Chamberlain said there won't be anymore growth until New Jersey becomes more business-friendly.

Closing Public Comments

Richard McDonnell, Executive Director of Family Guidance Center, approached the Board on behalf of the Warren County Human Services Provider Coalition. The 20 member agency was formed shortly after Mr. Houck forewarned the providers back in June of the CAP limitations. Mr. McDonnell stated that the County has not increased Human Services funding for more than 12 years which he equated to years of cuts. He warned that any short term savings may actually cost more in the long run factoring in potential increases in hospitalization, incarceration, suicide and violent behavior.

Statistics compiled by the Coalition estimated that Human Services agencies provided services to a combined total of 107,234 Warren County residents during the Calendar Year 2007. The Freeholders doubted the accuracy of that number. They thought the same people, using multiple agencies, were counted more than once. Mr. McDonnell acknowledged that may be the case. Fourteen of the agencies reported bringing in \$26,039,852 in non-County funding to the County from federal and state government, third-party insurance payments and various fundraising and foundation and grant awards. The Coalition deemed County funding critical to their day-to-day operations and as instrumental for leverage to match other funding dollars.

Mr. McDonnell said the Coalition is willing to partner with the Freeholders in petitioning the Governor's Office and Legislature regarding these "unintended consequences" of the CAP Law. On behalf of the Coalition, Mr. McDonnell asked the Board if it would consider such a "severe" reduction in 2009.

Next to speak was the Executive Director of the Warren County Chapter of ARC, Bob Pruznick. He thanked the Freeholders for the years of financial support. We realize we have no legal entitlements, he said, but the government – private partnership has immense value and allows us to tap a variety of resources. He was especially concerned about a Head Start Program for special needs infants. The long term cost to disabled babies and their families would offset initial savings, Mr. Pruznick said.

Diane Smith of Legal Services of Northwest Jersey approached the Board next. We're all in a tough boat, she said. She pointed out that while the County's total budget was reduced by nearly \$843,000, the cost to Human Services amount to more than one-fourth that amount and yet, Human Services funding is only one percent of the total budget. She thought this was

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disproportionate. Ms. Smith said these services are essential to protect the safety of our citizens citing numerous statistics including those on suicide and educational attainment. "All these families need Human Services," she said.

Mr. Gardner lamented New Jersey's inhospitable attitude toward businesses. People can't be gainfully employed if the businesses aren't here, he said.

Mr. Houck reminded Ms. Smith that Human Services agencies were not the only entities suffering budget cuts. One department, Warren Acres, was cut one hundred percent.

Mr. Chamberlain said he didn't want the Board to be portrayed as if it doesn't care. Non-profits are slated to receive \$1.4 million out of this budget and a couple of Human Services providers did not apply for funding this year. One in particular had received \$34,000 in 2008 which is included in the \$200,000 plus cut Ms. Smith had alluded to. Further, Mr. Chamberlain reminded Ms. Smith that the Human Services Advisory Council made these recommendations by prioritizing within the budget parameters.

Speaking to the Coalition representatives, Mr. DiMaio said your argument is not with this Board, but with the State. The Governor has cut aide to municipalities and instituted the CAP Law. We all have to prioritize and Mr. DiMaio said his top priority is the Communications Center. When people call 911 with an emergency, the call has to go through and be answered. We have to comply with the CAP Law and as a result, we're going to have less and less in terms of services. In his nine years on the Board, Mr. DiMaio said he has never had to do this and that he felt bad about it.

Mr. McDonnell repeated that the funding in question was critical. Mr. Marvin noted that a number of these agencies have pending appeals and that the resolutions awarding these contracts would likely not be on the Board's agenda until late February. A discussion regarding the definition of homelessness ensued and whether some users of Warren County's services come from Pennsylvania. Martha Rezeli of Catholic Charities said that less than one percent of the people they serve are from outside Warren County.

Mr. Gardner said we're in a tough position, but that he also shared the Coalition's concerns and was amenable to listen to them.

Harold Hess of Belvidere came forward to congratulate the Freeholders on the budget. Staying within CAP limits and coming in below last year is quite a feat. He said caps were put in place to protect property owners. The population and tax base are declining. As for the corporate tax base, Hoffman LaRoche and Ingersoll Rand are gone and BASF is soon to be gone. As unpopular as CAP limits are, the alternative is out of control property taxes. Mr. Hess thought it was very important the Board did what was necessary to trim the budget. Exploring shared services and cutting where possible is required to control taxes at all levels of government. What people really need in this state is jobs, said Mr. Hess. Mr. DiMaio reminded him that we also have to contend with Highlands restrictions on growth and development.

Shawn Buskirk, Deputy Director of Warren County Human Services Division of Administration, publicly thanked all the volunteers who took on the task of analyzing the different services in question. We thought working with our volunteer Advisory Council members who spent many hours on this and following their recommendations was the best way to approach the reduced funding situation.

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On motion by Mr. Chamberlain, 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 January 21, 2009.

**RESOLUTION APPOINTING MEMBER TO THE WARREN COUNTY PEQUEST RIVER
MUNICIPAL UTILITIES AUTHORITY**

BE IT RESOLVED that the Board of Chosen Freeholders of the County of Warren hereby appoints the following member to the Warren County Pequest River Municipal Utilities Authority effective February 1, 2009 for a term ending January 31, 2014.

Everdina O'Connor
1011 Brookfield Glen Drive
Belvidere, NJ 07823

Term to expire: January 31, 2014

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 21, 2009.

Steve Marvin, Clerk of the Board

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

On motion by Mr. Chamberlain, seconded by Mr. DiMaio, and there being no further business to come before the Board at this time, the meeting was adjourned at 9:00 p.m.

ATTESTED TO:

Steve Marvin, Clerk of the Board