

MINUTES**FEBRUARY 18, 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 February 18, 2009 at 3:07 p.m.

The meeting was called to order 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 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 FEBRUARY 18, 2009 WAS GIVEN IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT BY FORWARDING A NOTICE OF A BUDGET MEETING 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.”**

Assemblyman Michael Doherty being in attendance, Mr. Gardner invited him to address the Board.

Mr. Doherty expressed appreciation for this courtesy and also for indulging him last week during Mr. Chamberlain's absence. He then reiterated how he had introduced Assembly Bill 1880 which would require voter approval to bond for debt in excess of one percent of the County Budget. Mr. Doherty felt that the State Constitution was clear and that allowing bonding of this scale on the county and municipal levels without voter approval was a loophole. There are clear exceptions for emergencies; the bill refers to voluntary projects only. He had given a resolution to the Freeholders for consideration and asked them to pass it at this time.

Mr. Chamberlain asked where the bill is in the Legislature. Mr. Doherty said it was not yet out of Committee, but he believed this was the direction in which we're headed. He said reckless borrowing needs to be stopped. Having served as Freeholder alongside Mr. DiMaio and Mr. Gardner, Mr. Doherty said one of the things he was proud of was how they had cut the County's debt and paid as they went along. He asked the Board to maintain that policy and be leaders by passing his resolution.

Mr. Chamberlain said he thought the federal government should listen to Mr. Doherty's comments. Hopefully, we'll get some of that \$1.3 trillion that's coming to New Jersey. I hope you'll fight for us, he said.

Mr. Gardner said the bill was very sound and presented a good argument, but he thought that the restriction not being imposed on counties and municipalities was not by mistake. People elect those they feel are the best local representatives. If not tuned into the public, they should be voted out. Both houses need to pass the bill first, Mr. Gardner said.

Then we would support it by sending out a resolution to all the other counties. Mr. Gardner expressed concern with the way counties are treated by the State. He talked about a territorial

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equalization and stabilization program being pushed by the auto insurance lobby in which rates will increase by 15 percent except in areas such as Camden, Newark, Irvington, etc. "This is nuts," he said.

Mr. Chamberlain said he agreed with the bill "philosophically", but he thought the State should pass it first.

Mr. DiMaio said he did agree with Mr. Doherty about borrowing. The cost of the projects has not yet been finalized and may be pared down. In the case of the Court House, the Board has been leaned on by the Judiciary to make improvements. He wondered if this would be an exception. Mr. Doherty said only if there was an actual Court Order.

Discussion continued with the Freeholders going into detail about their strategic goals for consolidation, how much money they have saved, other sources of funds and plans for future savings. Mr. Chamberlain pointed out that there are potential liability issues with the condition of the Court House. Warren County Community College is looking to bond again. Mr. Chamberlain suggested Mr. Doherty stay and speak to College Trustees at the Board of School Estimate Meeting. I think you're preaching to the choir, Mr. Chamberlain said.

Mr. Doherty persisted.

Noting that any resolution can be rescinded at a later date, Mr. DiMaio said he would be willing to make a motion to create a resolution in support of the bill. If it becomes the law of the land, we'll have to follow it.

RESOLUTION 121-09

On motion by Mr. DiMaio, seconded by Mr. Chamberlain, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on February 18, 2009.

**RESOLUTION SUPPORTING PASSAGE BY THE NEW JERSEY LEGISLATURE OF
A1880/S2461**

WHEREAS, the New Jersey State Constitution expressly prohibits the Legislature from incurring bonded debt that exceeds one per centum of the annual appropriations of the State of New Jersey without voter approval and local government entities as creations of the Legislature should be subject to the same Constitutional restrictions as placed upon the Legislature;

WHEREAS, the Warren County Board of Chosen Freeholders recognizes that the current economic downturn can be traced, in part, to excessive borrowing by both public and private entities; and

WHEREAS, passage and enactment of A1880/S2461 would provide the citizens of Warren County with an opportunity to give their consent to any bonding for discretionary capital projects.

NOW, THEREFORE, BE IT RESOLVED that the Warren County Board of Chosen Freeholders does hereby support passage by the New Jersey Legislature of A1880/S2461.

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 February 18, 2009.

Steve Marvin, Clerk of the Board

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

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After a few more remarks about responsible money management, the Board requested Mr. Doherty work on interest arbitration and the insurance issue that had been raised earlier. This portion of the meeting concluded at 3:42 p.m.

Attention then turned to Mr. Olshefski and Mr. Houck for the latest budget information. Aggregate debt service figures were presented. Per Mr. DiMaio's request, the financial advisor had put together numbers assuming issuance of \$15 million in wrap around debt this year in which case, the County's net debt would remain at \$2.5 million a year for the next 15 years and have no impact on the taxpayers. Mr. Houck said if the Board was to pass a bond ordinance and costs are lower than anticipated, we can just cancel, but if costs end up being higher, you can pay yourself back what you've already spent. The only caveat is that authorized debt counts as debt.

Mr. Olshefski said it was ironic that months ago, he had told the Board we don't have a budget problem, but a CAP problem. Now it turns out that the CAP calculation is okay, but decreased revenues have presented a budget shortfall. To remedy this, Mr. Olshefski suggested pushing a portion of the funds budgeted for upgrades to the 911 Center out to the Year 2010 since the work will not all be completed this year anyway. Public Safety Director Dave Gallant was in attendance and confirmed this should be fine. This adjustment will achieve a tax rate reduction, a \$538,000 reduction in the tax levy and put more money into the capital fund for the new building.

Also discussed was whether or not to continue funding the Warren County Regional Chamber of Commerce for economic development functions. Last year, the County cut the services in half and shortened the contract term. No amount was budgeted to the Chamber for 2009. Mr. Chamberlain said if we want to have business growth, we have to support people who are trying to achieve that. I think we should encourage all the economic development we can, he said. Mr. Gardner agreed, noting that the Highlands Legislation has hamstrung area businesses. Senator Smith has proposed a water user fee, but Mr. Gardner was doubtful it would come to fruition.

Mr. Marvin said going through the process of fair and open proposals takes time. He suggested entering into a contract with the Chamber in the amount of \$37,500 for the period April 1 through December 31 since we're already well into the first quarter. Mr. Chamberlain requested the money come out of the salary adjustment line of the Budget.

Due to these adjustments, the introduction of the Budget will have to be delayed until March 11 with adoption to follow on April 8.

Attention then turned to plans for the new building. Mr. Chamberlain noted that the cost estimate for the third floor was more than anticipated. Part of the floor is to be climate controlled and house computer equipment, but the rest of the space is to be dedicated to

storage of seasonal items that do not require a climate controlled environment. Mr. DiMaio looked at the plans and did not seem to think there was much opportunity for savings as the space was just "roughed out".

Mr. Gardner commended both Mr. Olshefski and Mr. Houck for their diligence with the Budget. The taxpayer should be very pleased that services are being maintained in a cost-efficient manner.

Closing Public Comments

Rich McDonnell of the Family Guidance Center and Warren County Human Services

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Coalition approached the Freeholders to urge them to reconsider the cuts to Human Services funding. While the appeals process is nearing its end, a gain for one provider will result in a loss for another. Mr. McDonnell appealed to the Board to restore the \$237,000 in Human Services funding that had been cut. Existing needs are already exceeding capacity and in these times of economic turmoil, the demand for these services increases.

Mr. Chamberlain reminded him that at least one program did not apply for County funding this year so the cuts were not as deep as implied. Mr. Gardner thought the appeals process should be allowed to complete before discussing it further.

On motion by Mr. DiMaio, seconded by Mr. Chamberlain, and there being no further business to come before the Board at this time, the meeting was adjourned at 4:29 p.m.

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

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