

MINUTES**JANUARY 30, 2013**

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 30, 2013 at 7:00 p.m.

The meeting was called to order by Director Sarnoski and upon roll call, the following members were present: Freeholder Jason Sarnoski, Freeholder Ed Smith and Freeholder Richard Gardner. Also attending were County CFO Charles Houck, Fiscal Analyst Dan Olshefski and County Administrator Steve Marvin.

The Pledge of Allegiance was led by Director Sarnoski.

Director Sarnoski read the following statement: **“ADEQUATE NOTICE OF THIS MEETING OF JANUARY 30, 2013 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.”**

RESOLUTION 87-13

On motion by Mr. Smith, seconded by Mr. Gardner, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on January 30, 2013.

RESOLUTION APPOINTING WILLIAM GLEBA WARREN COUNTY ENGINEER

WHEREAS, the Board of Chosen Freeholders of the County of Warren is required to appoint a County Engineer pursuant to N.J.S.A. 40A:9-43 and N.J.S.A. 27:14-24;

NOW, THEREFORE, BE IT RESOLVED by the Board of Chosen Freeholders of the County of Warren that William Gleba is hereby appointed County Engineer for a term of five (5) years commencing February 21, 2013 and terminating February 20, 2018 at an annual salary of \$115,000.00.

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 30, 2013.

Steve Marvin, Clerk of the Board

Recorded Vote: Mr. Gardner yes, Mr. Smith yes, Mr. Sarnoski yes

Mr. Gleba had been expected to be in attendance for his appointment, but he arrived just a few moments after the action took place. He thanked the Board and said he looked forward to working with everyone in the County.

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Information System Director Barry Smith approached the Board to go over his budget. He said there was a minor increase of \$10,000 to his O.E. for phone and maintenance costs. Regarding Capital, his major concerns this year were equipment/hardware for departments (some equipment is 4-5 years old) and a telecommunications upgrade process; requests of \$125,000 and \$150,000 respectively. Mr. Sarnoski asked if that figure included the Prosecutor's Office and Mr. Smith said it included everyone. Mr. Marvin asked about software licensing. Mr. Smith said he does it on desktops; we're about 75-80 percent compliant at this point.

Freeholder Smith inquired about an item referenced with no dollar figure: Movement of Communications Building Entry Point. Barry Smith said if interior Court House renovations recommence, this would be to move all the computer and telecommunications equipment out of the basement and up into the old jail space upstairs. The estimated cost for the entire project is between \$400,000 and \$650,000.

Mr. Marvin asked what the purpose was of moving everything. Barry Smith said the concept had come out of the Projects Committee. Buildings and Grounds Superintendent Alex Lazorisak said his understanding of the thought process was to have a long range plan to handle all the IT and phone systems in Belvidere, including all of the Prosecutor's Office and wireless functions. Barry Smith added that all State and County IT functions would be centralized up in the attic and then channeled down as new sections are built in the levels below. The current system is functional and this move was determined not to be a necessity at the present time.

Barry Smith repeated his two primary concerns and it appeared that they would be covered between the amount recommended by fiscal and money left in prior funds.

Mr. Marvin asked if video links were ever restored for video conferencing between the Correctional Center, Court House and Morris County Juvenile Detention. Barry Smith said connections are in place in the Correctional Center and Court House, but they are not being utilized. If the equipment is not used periodically, it goes to sleep and has to be reset. The capability is there to communicate with Morris County, but they don't want to connect to the system they recommended. The equipment is not in each of the Court Rooms because it's too expensive for something that isn't being used. The Courts seem disinterested. Mr. Sarnoski thought a lot of money could be saved if the video conferencing were fully operational; it would save on travel time back and forth.

Lastly, Barry Smith said he expected to retire in the coming year for a number of personal reasons. He wanted the Board to consider that his job involves dealing with more than just computers. There are also the telephone systems, records management and regulations to deal with. The Freeholders thanked him for his presentation. This portion of the meeting concluded at 7:20 p.m.

Jennifer Gruener, Assistant Superintendent of the Mosquito Control Commission, then came before the Board. She said the majority of their budget increases are in S&W. Despite considerable efforts in terms of surveillance and applying pesticides using equipment borrowed

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from other counties, Phillipsburg was inundated in late August by an urban container mosquito. The Commission budgeted accordingly to combat this new breed to our county. It is expected to spread to Washington Borough this year and the Asian Tiger Mosquito continues to be a concern. One of the seasonal Inspector positions was upgraded from half-time to full-time for this summer. While the mandatory increase in pension contributions has been revised downward, that budget line item has still increased by 18.38 percent over last year.

As far as O.E., Ms. Gruener said, they have really been kept to a minimum, increasing only .01 percent. That figure includes equipment and additional pesticide to contend with the Asian Tiger Mosquito which requires a different approach than they are used to. This breed of mosquito has not tested positive for West Nile Virus yet in Warren County, but has in other counties and can carry dengue fever very well. The Commission will be using some of its surplus to help pay for a sprayer. There was some discussion regarding the unused fund balance and the unlikely prospect of being reimbursed by the State for the sprayer.

Mr. Sarnoski said he attends Mosquito Commission Meetings periodically. They are doing a very good job and he appreciates it. Mr. Gardner noted the very successful tire removal program. This portion of the meeting concluded at 7:34 p.m.

The Board then summoned John Daly and Mike Grossmann to talk about insurance matters. A number of representatives from the Polaris Galaxy Agency were also in attendance to address any concerns regarding the New Jersey Intergovernmental Insurance Fund (NJIIF). Mr. Daly provided an overview comparing premiums. Worker's Compensation Claims' history does not make Warren County attractive to insurers. Mr. Daly pointed to a savings of \$124,000 over last year in premiums. The County now has cyber liability coverage and environmental insurance. Underground storage tanks have to be tested. Once that's done, they can be rolled into the policy.

There was ample discussion regarding Superstorm Sandy. While Mr. Daly said each year stands on its own, Mr. Smith expressed concern that premiums will rise substantially in the future as a result of the storm. Regarding projected losses in the NJIIF, the Polaris Galaxy people said they still did not have final numbers. Some areas were obviously more affected than others. The City of Asbury Park and Mantoloking are in the NJIIF. Warren is the only county entity in the NJIIF. The other major clients are Wayne Township, Bayonne and Union City. It was generally accepted that insurance rates, JIF or not, will eventually rise as a result of losses attributable to a catastrophic event such as Sandy.

Mr. Sarnoski wondered if there were any concerns about the solvency of the NJIIF right now. Mr. Daly said there have been issues. We're straightening them out. The NJIIF has reassessed all its members. He said he asked the CFO to make some phone calls in the industry. Mr. Houck thought one benefit of being in a JIF was that it was possible to be eligible for a refund if an entity has a good claims history at the end of the run out period.

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For most of the last 25 years, Warren County has been in a JIF. Why leave and then go back in? Mr. Grossmann said at the time (Year 2010), Travelers had the best deal. He said we're always trying to get the best bang for our buck. Mr. Daly noted that it got to the point that Warren County was almost uninsurable due to Worker's Comp claims. Travelers did not want to take it on.

Mr. Sarnoski noted that Worker's Comp claims have gone way down since 2008. Why haven't the premiums gone down? Mr. Daly said when it's rated manually; it's still a much lower premium than if we were in the voluntary market. He said it's based on a snapshot of payroll and claims history. According to the chart provided, it appeared the County was paying \$1.5 million in premiums for losses totaling \$573,291. Mr. Grossmann said the end of year figure can be deceiving. He said the rule of thumb is to take the amount of losses as of the end of the year and double it.

Mr. Sarnoski pointed out that Warren Haven's premiums are increasing significantly over the prior year. Mr. Grossmann said that is based on some very high claims. Mr. Daly said we moved from an occurrence policy to a claims based policy. Mr. Grossmann said the umbrella coverage has doubled since 2007. Mr. Marvin said he did not have a binder for the Warren Haven policy in his possession. Mr. Daly said he would check on that as well as picking up the signed Indemnity Agreement Mr. Marvin had previously asked for.

Mr. Sarnoski asked about increases as a result of purchasing the new Library Branch. Mr. Daly said he didn't think that's going to have an impact on the NJIIF, but an assessment from Travelers is to be expected. With ownership of the buildings taken over just two weeks before the end of last year, Mr. Grossmann said there would be a relatively low charge, but eventually, these two buildings will be under that entire blanket policy. Mr. Marvin said, 'On the NJIIF number we've been quoted for this year, that's the number?' Mr. Grossmann replied, 'That's the number.' Mr. Olshefski cited the dollar figure of \$785,000.

There was some discussion regarding deductibles which vary on a sliding scale. In the case of a catastrophic event, the per occurrence deductible is \$5,000.

Mr. Gardner thought the gentlemen gave a good overview. Mr. Grossmann said insurance is a risk that's covered that you will eventually pay back over a period of time. Due to losses that have occurred throughout the entire industry, we can expect to see rising premiums.

Mr. Grossmann said while our Worker's Comp claims have gone down, the County still has a long way to go in that regard resulting in us being turned down by a number of entities. Mr. Marvin said that's because we have loss centers that nobody else carries. No one else in the fund has a nursing home. "That's where all your losses are," said Mr. Marvin

After reiterating his concerns about exposure to risk and Superstorm Sandy, Mr. Smith asked what was being done to improve our status to do better. Mr. Daly said safety meetings are held periodically. Any contracted agency that deals with Human Services has to have sexual abuse and molestation coverage.

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Alex Lazorisak asked when the last time the buildings were assessed for replacement costs. Mr. Daly said 2004, but they have been bumping up the values all along since they know they are undervalued. One of the account executives from Polaris said industrial appraisals will be performed in March.

Mr. Sarnoski said these are complicated topics. On behalf of the Board, he thanked everyone for coming.

On motion by Mr. Gardner, seconded by Mr. Smith, and there being no further business to come before the Board at this time, the meeting was adjourned at 8:23 p.m.

Recorded Vote: Mr. Gardner yes, Mr. Smith yes, Mr. Sarnoski yes

ATTESTED TO:

Steve Marvin, Clerk of the Board