

## MINUTES

**JANUARY 13, 2018**

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 13, 2018 at 9:00 a.m.

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

The Pledge of Allegiance was led by Director Smith.

Director Smith read the following statement: **“ADEQUATE NOTICE OF THIS MEETING OF JANUARY 13, 2018 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 revealed he would be unable to attend the Budget Meeting of January 20 when the Library and Open Space Budgets were scheduled to be discussed, so Mr. Marvin was going to try to swap the agenda planned for January 17 with that of January 20.

The Board then turned to Dan Olshefski for his annual introductory budget overview. He said we are in a much better position now compared to several years ago. However, he recently received a Local Finance Notice regarding a “Fast Tracking System” that will require all budget data to be entered manually and will take more time to complete.

Mr. Olshefski then went over some highlights of the budget situation. Reviewing the year 2017, revenues are trending upward. Anticipated increased revenues were realized in the offices of the County Clerk, Sheriff and Human Services; interest rates on investments are increasing and the increased Transportation Trust Fund allocation will offset capital expenditures. Unanticipated revenue received in 2017 included the final FEMA payment for Hurricane Sandy, proceeds from the sale of the Public Health Nursing Building and payments from the PCFA and Covanta. The Covanta arrangement is a new source of revenue.

Budget highlights for 2018 included some good news. Medical rates for active employees remain flat for the second year in a row; other insurances increased modestly (about 2.5 percent) and pension payments are being calculated without Warren Haven employees for the first time. Funding for outside agencies is to remain the same as the prior year. Operating expenses (OE) for Warren County Community College will increase by two percent plus the cost of one additional staff member.

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The County's debt service will be slightly lower due to the 2016 refinancing. The final payment will be made on Open Space Bonds. Net debt at the end of 2018 should be \$2.6 million. The Board's "pay as you go" philosophy will be maintained.

Looking forward to the proposed 2018 budget, Mr. Olshefski said the current version does not include any new positions. There were minimal requests for new positions. The proposed budget does include a tax decrease. Overall, the budget decreased \$3,000,000.

Some concerns for 2018 include the newly established Cap Law limiting constitutional offices to a two percent net increase. It is very restrictive and future revenue must factor in. Budget reductions are outside the Cap. The County must again utilize Cap bank balance to be in compliance. The COLA (Cost of Living Adjustment) is 2.5 percent for 2018. Another new requirement from the Division of Local Government Services is a certification of compliance with Federal Civil Rights requirements. Mr. Sarnoski wondered what that had to do with the budget process.

A summary of the Library's budget was reviewed. The Library tax will remain the same while the budget has decreased. The Phillipsburg Federation Agreement will come to an end mid-year and the Town of Belvidere is fully integrated. Mr. Marvin pointed out that we may get another \$300,000 for Phillipsburg's collection, a term of the agreement it did not comply with over the years.

Attention turned to the Open Space budget. Debt service matures and will drop nearly \$600,000 in 2018. The program is carrying a significant surplus. Mr. Gardner said we have lots of flexibility here now.

Next discussed were Warren County Technical School's capital needs. Mr. Smith thought the cosmetology department might take over some of the space that will free up when the library closes since it is a full program. He had also toured the shower facilities which he said were from the 1950's. The house on the property may have other potential use.

New voting machines are slated to be purchased. Mr. Smith had attended a presentation the prior day. The cost of the machines will be \$1.6 million, but proprietary software will add to that cost. Special required paper will cost 11 cents per voter. Ethernet will be required at each polling place.

The overview concluded at 9:37 a.m. Mr. Sarnoski said there is a lot of good news here. He thought it made sense to cautiously reduce the amount for taxation.

As the Human Services management team prepared to make their budget presentation, Mr. Smith said he appreciated them keeping the line on spending. Mr. Francisco began an overview for the department. He said it had been a good year; five new positions were granted by the Freeholders in 2017 and the strategy proved to be very successful. OE is flat; no new positions are being requested and no capital requests. It was a "routine, basic year", he said. Mr. Smith asked about space issues at TASS. Division Director Lauren Burd said space continues to improve, but there are more improvements to be made.

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Department Director Shawn Buskirk said it has been her pleasure to serve and was pleased to preside over more stability than when she took over as director in 2015. She looked forward to future challenges and noted working relationships with Corrections, the Health Department and the Addiction Awareness Task Force. She went over the Division of Administration, pointing out a modest savings in Salaries & Wages (S&W) due to the retirement of a senior employee whose replacement earns a lower salary. About \$2,000 per month is generated by advertising on paratransit vehicles, helping to offset program costs. A new grant from NJ Transit for \$128,000 will provide mobility services to our elderly and disabled residents.

Funding for outside agencies remains the same as for 2017. We are now in the third year of utilizing \$1 million in Warren Haven funds to offset the loss of Peer Grouping funds. Mr. Olshefski asked about the agencies' plans in the future. Mr. Sarnoski said it has been made very clear that funding is to drop off. They are very aware. Mr. Smith pointed out that they had a choice in the matter and they overwhelmingly chose to get the money up front.

Adjuster Investigator Donna Marczi joined Ms. Buskirk to talk about that division and provided statistics for the last three years for gun permits (which have slowed down), commitments to State Psychiatric Hospitals (remaining stable) and Involuntary Outpatient Commitments (IOC). The IOC Program saves on hospital stay expenses and Ms. Buskirk said we have a stellar program; one of the first in the state that provides wrap around services instead of commitments.

The payment due for state institutions was reviewed. This is based on estimated billings and there continues to be issues with the way the State handles this. Further discussion ensued.

TASS Division Director Lauren Burd then came forward with good news. In 2017, the division met the goal of increasing its anticipated revenue from the State to offset the cost (salaries and fringe) of the five new employees. The actual State reimbursement exceeded the 2017 Budget amount by \$25,000. The 2018 OE budget is decreasing by \$13,000. The need for a status change for a bilingual position (part-time to full-time) was presented.

Detailed statistics on Medicaid were provided. Significant progress on electronic storage was discussed. Mr. Marvin noted that storage cost fees would be ending once a portion of the new library building is utilized for such purpose.

Mr. Olshefski asked about IT issues. Ms. Burd said honestly, it has been a bit of a struggle. It is not advantageous to have a worker sitting there unable to perform his or her duties while waiting for technical assistance.

Next, attention turned to the Division of Aging & Disability Services and its director, Scott Burd. Mr. Burd went over services the division provides including trends and statistics and noting that health and wellness programs at community senior centers are increasing. He said SHIP/Medicare counseling needs are driven by the population and number of people turning 65. All areas of the county are being served by the congregate meal program with transportation provided as requested. The budget for this is increasing by one percent as two locations raised rent and the lone food service bidder increased its price 11 cents per meal.

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Mr. Gardner said he was delighted that this department was able to add more people and keep its budget in check. Mr. Smith agreed. The group made a case for new positions last year and it worked. He referred to the department as a “well-oiled machine”. Mr. Sarnoski thanked them for keeping their promises (that the positions would more than pay for themselves through revenue generation). Ms. Buskirk thanked the Board for its support and expressed gratitude to her staff.

There were no closing public comments nor questions from the press.

On motion by Mr. Gardner, seconded by Mr. Sarnoski, and there being no further business to come before the Board at this time, the meeting was adjourned at 10:40 a.m.

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

**ATTESTED TO:**

**Steve Marvin, Clerk of the Board**