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 7, 2017 at 9:00 a.m.

The meeting was called to order by Director Gardner and upon roll call, the following members were present: Freeholder Richard Gardner, Freeholder Ed Smith and Freeholder Jason Sarnoski. Also attending were County CFO Dan Olshefski, Fiscal Officer Kim Francisco 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 7, 2017 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 to CFO Dan Olshefski to begin the overview. Mr. Olshefski said it was a departure to be able to begin the budget process with a smile on his face after recent years of facing a $2-3 million hole. This year, we are poised to have a balanced budget and are in an overall solid financial position moving forward. This is due to the Board’s firm guidance and wise decisions.

To review the Year 2016, most revenues remained flat. Investment income increased by $180,000 due to higher interest rates and the Warren Haven surplus balance. TASS revenues exceed the 2016 Budget by $700,000. This was due to the Affordable Care Act and Medicaid reimbursement rate of 75 percent which was also granted retroactively. Two positions were added to this unit last year; one full-time and one part-time. When asked, Mr. Francisco said that extra help absolutely contributed to the realized revenues. Additional positions are being requested again this year. Even considering the November election and the movement to repeal and replace the ACA, Mr. Francisco has been assured that the County will not be affected and will still have the caseload to support these numbers. Mr. Smith noted the importance of these positions because there is a per-case management fee. Without adequate staffing, he said, money is left on the table.

Department revenues that came in under budget included the Sheriff’s Office ($71,000) and the Surrogate ($4,600) which is beyond their control. This year, in addition to the two different county-wide overall two percent Cap calculations, Mr. Olshefski cautioned that we have to contend with individual departments being subject to the two percent Cap (Prosecutor, Clerk, Surrogate, Sheriff and Election Board). Whether the Election Board would be subjected to the constraint in Warren County remained unclear. Mr. Smith said as far as he was concerned, the
Freeholders would not fund any of these departments in excess of the two percent Cap. Mr. Smith asked if any departmental surplus could be carried forward to which Mr. Olshefski answered no. Cap banking is not allowed here. The rules are not final yet. There are still a number of unanswered questions that Mr. Olshefski was going to deal with in the coming weeks and was to keep the Board informed.

Continuing with the overview, it was noted that there were no unusual or unanticipated occurrences regarding 2016 appropriations. Last winter was relatively mild. The COLA Cap adjustment for 2017 is .5 percent; last year, it was zero. The County is permitted to increase the Cap up to 3.5 percent by resolution as is customary and Mr. Olshefski’s recommendation.

Other budget highlights included: medical rates for active employees remain flat and there is a modest increase for retirees. Other insurances remain flat. Mr. Sarnoski thanked Mr. Smith for his vigilance in working on insurance issues and attending NJIIF Meetings. Pension obligations (PERS and PFRS) will inexplicably be less than in 2016. Due to Warren Haven obligations falling off, we can expect PERS obligations to decrease in 2018. Some changes have been implemented in the way State institution obligations are paid, but it will not affect the amount to be raised by taxation.

Funding for outside agencies remain unchanged from 2016. Operating expenses for the Community College are increasing two percent (they requested five percent). Mr. Sarnoski pointed out that some library sharing services may need to be implemented due to the pending closure of the Franklin Library Branch now housed in the Technical School. Debt service is slightly lower for the coming year due to the 2016 bond refunding. Regarding capital projects, we will maintain the Board’s “pay as you go” philosophy.

The proposed 2017 Budget at the present time does not include any new positions. Not even requests for positions related to Bail Reform and TASS operations. Nor does it include any tax increase. It does utilize revenue (surplus) generated from the prior year and contains some one-time capital expenditures offset by Warren Haven proceeds. This will allow potential flexibility with noted positions requests and/or other requested increases. “We’re really in a good position going forward,” said Mr. Olshefski. The gas tax was mentioned with more funds for roads and bridges anticipated in 2018. The major concern for 2017 was really about the two percent Cap on the Constitutional Officers.

While data on individual departments’ budgets was provided, it was decided to go over those lines in more detail at a later date. Capital improvement requests, surplus analysis and utilization of Warren Haven proceeds were touched upon briefly.

The overview now complete, the Board then turned its attention to the Library budget and invited Library Director Maureen Baker Wilkinson to come forward. The budget came in flat for 2017. The tax amount has been the same since 2012. The tax rate (5.27 cents) is the base rate 2003-2009. The Town of Belvidere will now be part of the County’s Library System and is estimated to bring in $92,000-$98,000. Ms. Wilkinson expected the system to become a lot busier between Belvidere coming in and the future opening of the southwest branch.
Mr. Sarnoski expressed a preference to take some of that money coming in to provide some tax savings. Mr. Smith understood the position, but thought a valuable service is now being provided; it should not be regarded as pocket money. “They’re paying for a service and we’re providing it,” he said. Those residents now have access to a robust, strong library system. Ms. Wilkinson reported that 58 new users from Belvidere have already signed up since January 1. Mr. Gardner tended to agree with Mr. Sarnoski, but expressed a preference to get through the establishment of the new southwest branch first. Mr. Marvin thought a substantial rate cut wouldn’t come until 2019 when the Phillipsburg Federation Obligation is fully off the books. He thought the Board should be aggressive in funding capital improvements. Discussion continued with each seeming to understand the other’s position and the matter was left undecided.

Regarding staffing, there were eight retirements and it has been a challenge filling positons. Ms. Wilkinson said a number of promising candidates turned down job offers because the salary is subpar. We can’t draw from Pennsylvania due to the New Jersey First Act. Promoting from within is not always an option; a Librarian must hold a Master’s Degree. Library Assistants can be promoted from within. Ms. Wilkinson was happy to report that some new services will be added this year including the streaming service, Hoopla.

While the Catherine Dickson Hofman Branch still has some capital improvement needs (mechanical, roof), Public Works Director Alex Lazorisak thought those projects could be delayed until after the southwest branch was up and running. Mr. Sarnoski said it appears the southwest branch would not open as soon as we had hoped; it may not happen this year. So, we’ll need to have a plan to address the library needs in Washington Township, eastern Franklin Township and western Mansfield Township. Ms. Wilkinson thought the 24-hour library kiosk option may be a good solution to deliver core services. It was generally agreed that the priority should be the establishment of the southwest branch. This portion of the meeting concluded at 10:11 a.m.

Next up was the Open Space Budget under the direction of Corey Tierney. Mr. Olshefski’s synopsis included the following: the current tax levy of four cents, where it has stayed for a few years, generates just over $4.3 million. In 2016, the net expenses were actually higher than the revenues for the second consecutive year. The O'Dowd Farm and the Barton Farm drove expenses up last year. Debt service will mature in 2018. In 2019, it will drop by $600,000. The following year, the Open Space Program is set to be encumbrance-free. The cash surplus equals 5.7 years of funding. A cash analysis was provided.

Mr. Gardner noted that the Municipal and Charitable Conservancy Trust Fund Committee (MCCTFC) has been scrutinizing applications more thoroughly than it had in the past. Mr. Sarnoski asked if any restructuring or changes in requirements had taken place. Mr. Tierney said no, it’s still as it was, but the committee was much more discerning this round. Mr. Gardner preferred the current level of discretion, noting some applicants don’t really have any plans. We need to determine there is benefit to the public.
A philosophical discussion ensued with Mr. Smith wondering at what point do we consider slowing down the process of increasing the inventory of properties and focus on improving the quality of what we have. How do we best use what we've invested in? Are we marketing these sites? Mr. Sarnoski asked if Open Space funds could be utilized to help promote what we already have. Mr. Smith raised Rutherfurd Hall as a good example of a well-utilized facility that the municipality invested in.

Regarding MCCTFC properties, Mr. Tierney noted that these are locally controlled, usually by a non-profit or municipality. Their obstacles are operating expenses. There are State operating grants available that a number of sites were interested in, but Open Space Trust fund money hasn’t been used for this purpose.

Mr. Sarnoski asked about other projects: Grow Warren, Farm Art Detour, the Food Hub and Farm Incubator. Mr. Tierney said the Farm Incubator at Bread Lock Park is taking some of his time, but ultimately, the Foodshed Alliance would operate that. Regarding Grow Warren, the specs have to be revised to put back out. An extra year extension was granted by the Federal Government to July 2018, but without departed Ag Agent Kenesha Reynolds, it’s going to be a challenge to coordinate it. Extension services have floundered a bit: Mr. Gardner said we are supposed to be getting a basic Ag Agent from Rutgers.

Mr. Tierney’s office was in the process of updating the Farmland Preservation Plan. The goal is to preserve 1,000 acres per year. In the next ten years, that would bring us to preserving half of the productive agricultural land in Warren County. The funding at its current level is just over $2 million for CADB. On average, it costs us about $5,000 an acre. How much we can fund with State money versus our reserves depends on how the State money comes through. Mr. Tierney delved into more detail with figures, ratios and percentages. In the future, he said we may have some more wiggle room without having to dip into reserves.

Mr. Smith brought up the Independence Township wetlands mitigation matter if the wetlands creation value were factored into the mix. He hoped preserving those acres could be explored. The Pohatcong Valley Superfund was mentioned as well.

Mr. Marvin asked if all municipalities spent down their P.I.G. money. Mr. Tierney said several of them spent what they had. The following have stopped being active: Washington Township, Pohatcong and Allamuchy. Those that are still quite active: Frelinghuysen, Hope, Blairstown, White, Harmony, Franklin and Greenwich.

Mr. Tierney said he was comfortable with the current tax levy of four cents. White Lake was mentioned as being a “gem” and a good example of preserved property being put to good use for the public, but we do pay for it to be managed, so Mr. Smith said perhaps that’s what it takes. After a few more remarks, this portion of the meeting concluded at 10:37 a.m.

Next week’s Budget Meeting was to include discussion of the Prosecutor’s Office, Sheriff’s Office, Corrections and Public Safety. 911 capital technology upgrades are on the horizon.
The unknown challenges of implementing Bail Reform were discussed at length. Mr. Smith said it behooves us as a county not to spend over the two percent Cap. Making exceptions is not the way to go, he said. Absent of the resources, he thought the Board shouldn’t do it. He said this is almost like civil disobedience.

For the record, Mr. Smith wanted to be very clear that the Judiciary has made definite efforts in terms of helping us to control costs on our side. He said he had spoken to the Sheriff recently and he recognizes the problems we have. The major portion really comes down to the Prosecutor component. We’ve got a conflicting statute. We are not just dealing with Bail Reform, he said, but Speedy Trial. One of his goals this year is to have the State take a look at Court costs, prosecutorial costs, etc. that are being passed legislatively and leave us with our hands tied with complicated Cap mechanisms. The Caps are to protect the taxpayer which Mr. Smith said he supports, “But I don’t see how we’re supposed to take money out of other programs to subsidize these things and leave us with even less discretion in terms of what type of priorities we want to have here in our own county,” said Mr. Smith.

Discussion continued regarding bargaining units. Mr. Marvin noted that the Prosecutor has already exceeded the two percent Cap in implementing the existing labor agreement with PBA. Four detectives moved up on the scale. Mr. Olshefski concurred that the Speedy Trial component was expected to be the most vexing.

Mr. Smith credited Judge Ciccone with being very receptive to concepts such as video-conferencing so people can come in without a Sheriff’s Officer present. The Judiciary has made definite efforts to minimize costs.

Mr. Marvin said the thing to watch for is intakes at the County Jail. He expected intakes to decrease. Local police departments now have to make a quick decision to issue either complaint warrants or complaint summons. He thought they would trend toward complaint summons whenever possible because then they don’t have to transport people up here continuously.

Dialog continued regarding Speedy Trial, flight risks, 20 more Judges being added and the Prosecutor having to stay under the two percent Cap.

There were no questions or comments from the public. No members of the press were in attendance.

On motion by Mr. Smith, seconded by Mr. Gardner, and there being no further business to come before the Board at this time, the meeting was adjourned at 10:54 a.m.
Recorded Vote:  Mr. Sarnoski yes, Mr. Smith yes, Mr. Gardner yes

ATTESTED TO:

Steve Marvin, Clerk of the Board