Smith Named Director as Freeholder Board Reorganizes

(BELVIDERE, NJ, Jan. 4, 2014) – The Warren County Board of Chosen Freeholders named Edward J. Smith as director for 2014 as the Board conducted its annual reorganization meeting at the Courthouse in Belvidere.

Freeholder Jason J. Sarnoski, who was re-elected in November, took the oath of office for a second three-year term, and Freeholder Richard D. Gardner was named Deputy Director.

Also taking the oath of office was Warren County Sheriff David Gallant, who was re-elected in November.

State Sen. Michael Doherty (R-23nd District) administered the oath to Sarnoski and Smith, while Superior Court Judge John Kingfield swore in Gallant officially on January 2 and ceremonially during the freeholder board meeting.

In front of a crowd of well-wishers that included federal, state, county and local officials, as well as family and friends, the freeholder board got right to business, with Smith vowing to file suit next week against the New Jersey Administrative Office of the Courts (AOC) over disputed renovations to the Courthouse.
“We will bring an end to the Courtroom #2 fiasco,” Smith said, referring to a dispute over the courtroom created during a $5.8 million renovation project that opened nearly two years ago, but has gone unused for its intended purpose of conducting criminal trials. Although the County worked closely with court officials on the renovation plans, which were approved by the AOC, a judge later declared that Courtroom #2 was unsuitable because a support column restricted a defendant’s ability to see all members of the jury, and vice versa. Despite its involvement in the project, Smith said the Judicial Branch “suddenly denied any responsibility.”

Both Gardner and Sarnoski backed Smith on the issue. Gardner called it “unconscionable” that the Court system has looked to the County to completely fund more renovations, when court officials were involved in the plans that have since been criticized.

“I for one, along with my colleagues, will not allow these individuals to shake down the county taxpayer for more money for mistakes they made, and I will add, unquestionably, they made,” Gardner remarked.

Sarnoski during his remarks noted the freeholders tried to resolve the Courtroom #2 issue in a “diplomatic and fair manner” but noted the courts were “a big part of the problem” that occurred. The Administrative Office of the Courts “refuses to take responsibility for their own decisions, and has tried to put the burden of their mistakes entirely on the taxpayers of Warren County, and we will not let that happen,” Sarnoski said.

Smith also pointed to accomplishments of his first year on the board, including the freeholders passing the state’s first policy requiring a public vote on any county bonding; passage of a Delaware River Flooding Resolution that Hunterdon and Mercer counties have now adopted; privatization of laundry, housekeeping and food services at Warren Haven for a projected $1.4 million in annual savings; and creation of a Warren Haven Task Force that investigated funding dilemmas facing the county-run nursing home. The Task Force report will be ready for public review later this month, he said, and a public hearing will be held in February.

Looking ahead to this year, Smith said he hopes to encourage the development and implementation of shared service programs, such as the health inspection services that will be offered to municipalities at affordable rates as of April 1.
Referring to Warren County Technical School and the Warren County Special Services School District, Smith noted, “I will continue to advocate for expanded development of our county educational programs to provide valuable services to the local school boards in our county, at costs that will help to control local school tax levies.”

Smith said he will be proposing a fee to be levied by the County on out-of-county garbage or ash that is deposited at the landfill in White Township, noting this proposed revenue source will not be paid by Warren County residents, and can help to address some of the financial challenges the County faces.

Smith added, “I believe economic growth can come to Warren County, and I will continue to advocate for creation of a Highlands Commercial Corridor Zone along our major roads and railroads to nurture that growth. I believe we can consolidate our tourist-oriented assets, both public and private, into a marketable theme that will attract visitors and further stimulate our economy.”

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**Full Text of Remarks by Freeholder Director Edward J. Smith**

Welcome, honored guests, friends, and family. To all, Happy New Year!

First, a few thanks. I want to thank my colleagues for having confidence in me to be chosen as the director of the board for this year.

I want to thank Senator Doherty for the opportunity to serve on his staff for nearly twelve years, and in doing so, gaining valuable experience on the ins and outs of our governmental system. I want to thank the many dedicated county employees that I have come to know and respect over this past year. I appreciate their service to the citizens of the County.

Finally, I want to thank my family, particularly my wife Eileen who puts up with the demanding schedule that comes with elected office.

I proudly reflect upon my first year on this Board. This Freeholder Board passed the only voter approved county bonding policy in the State. The Warren Haven Task Force was created, and will have its final report ready for public review later this month, complete with nearly a thousand pages of attached references. I commend those volunteers who spent their time to so thoroughly investigate the dilemmas of Warren Haven. The Freeholders privatized laundry, housekeeping, and food services at Warren Haven, with a projected $1.4 million in annual savings.

Finally, a Delaware River Flooding Resolution was passed, one that both Hunterdon and Mercer counties have adopted. The resolution calls for a re-examination of a Delaware River Consent
Decree that four states adopted in 1954, the year before the great flood of 1955, and so many floods thereafter that have so significantly impacted our county.

**Looking ahead to 2014.** I hope to encourage the development and implementation of shared service programs, such as the Health inspection services that will be offered to municipalities at affordable rates on April 1st. I will continue to advocate for expanded development of our county educational programs to provide valuable services to the local school boards in our county, at costs that will help to control local school tax levies. Both Warren Tech, and the Warren County Special Services School District have, and will continue, to provide affordable alternatives to out of county placement of students for specialized programs, while Warren County Community College continues to provide innovative programs that provide post-secondary opportunities to the students of the county. These are but a few examples of how we can utilize the efficiencies of county level programs to address municipal governmental responsibilities and citizen needs at costs that will benefit the taxpayer.

**We do have some big challenges in 2014.** The county will experience a significant loss of talent in its senior management team due to upcoming retirements in the departments of Information Technology, Human Resources, Finance, and Human Services.

I believe this board is up to the task of finding top notch people to fill these key positions. Subsequent to the passing of our road supervisor Tom Kitchen and the retirement of our long serving engineer Dave Hicks last year, the creation of a new management team and restructuring has already begun.

Financially, the continued drop in upstream funding combined with the 2% Tax Cap Law of 2010 creates the perfect storm that will force some very difficult decisions in the near future.

For example, the implementation of managed care for the Medicaid payments tied to Warren Haven, expected later this year, will result in the loss of over $1.3 million in PEER Group funding to the county. $660,000 of that amount, which has already been significantly reduced in recent years, has traditionally supported community based programs throughout the county. There will be no way to fund these programs when these state and federal dollars stop coming to Warren County.

On another front, nearly a million dollars of red ink bleeds from the county run visiting nursing services. Part of this is due to the lower allowances for billing from Warren County’s unique federal classification in the Lehigh Valley statistical area, meanwhile, all other counties in the state see larger reimbursements because they are in the New York or Philadelphia metro areas. The high cost of public employee benefit packages and our ability to operate on a lower Lehigh Valley pay rate undermines our ability to provide a self-sustaining competitive service. Only a few weeks ago the Board authorized preparation of a “Request for Proposals” to remedy the financial predicament.

Then there is Warren Haven, currently with an 82% occupancy rate. The anxiously awaited Advisory Committee report will be out later this month with a public presentation and hearing to be held before the Freeholders in February. Discussion of the analysis and proposed actions will be the agenda of the day.
I must be absolutely clear: We do not have the luxury of inaction. The Medical Stabilization Fund which has funded Warren Haven’s deficits in the past will be depleted this year. The anticipated loss of the PEER group funding will nearly equate to the amount of the maximum permitted tax increase for the entire county budget under the cap law. New services and a higher occupancy rate at Warren Haven will have to bolster the budget. Without such significant gains we face the high probability of layoffs, further privatization, reorganization, or even new ownership.

I must restate that the expected reductions in aid related to Warren Haven will again total more than our allowable tax increase amount under the 2% cap law. The savings from last year’s privatization of services is fully negated with this loss of funding, and this year’s budget projects a $2 million deficit.

**All is not lost, there are opportunities in 2014.** On Wednesday, January 8th, we will have a hearing on the expansion of the landfill, and enhanced recycling activities as an amendment to the County’s Solid Waste Plan. With passage of this policy change, I will be proposing a fee to be levied by the county on out of county garbage or ash that is deposited at the landfill. This proposed revenue source will not be paid by Warren County residents, and can help to address some of the financial challenges we will face in the future.

I believe economic growth can come to Warren County, and I will continue to advocate for creation of a Highlands Commercial Corridor Zone along our major roads and railroads to nurture that growth. I believe we can consolidate our tourist oriented assets, both public and private, into a marketable theme that will attract visitors and further stimulate our economy.

**Finally we will bring an end to the Courtroom #2 fiasco.** An irresponsible Judicial Branch – that reviewed building plans, and was quick to claim new administrative facilities, judge’s chambers, and provide security directives – suddenly denied any responsibility for the oversight of the suitability of criminal Courtroom #2, that their own judicial officers deemed unconstitutional. Just months after millions of Warren County tax dollars were spent to renovate significant portions of this courthouse, the facility was deemed unsuitable. This is outrageous, but demonstrative of tenants who bear no responsibility for the costs of the facilities that they utilize.

Last year, I personally appeared in Trenton before Judge Grant, the Administrative Director of the Courts, and argued that the Court has a conflict in making any decision, to determine the responsibility for the gross misdirection of the resources of the citizens of Warren County. The fact remains that Warren County did rely upon the advice of judicial authorities as to the suitability of renovations, and did accommodate numerous judicial requests during the construction process in an effort to address the needs and wants of the Court.

Unfortunately, the time for action has come. Two years have nearly passed, and the Court has not overturned its “unconstitutional” ruling, or provided funds to remedy the alleged insufficiencies. It is time to provide formal judicial notice to the Court that Warren County will claim and defend its rights. Next week, county counsel will be directed to file suit to recover any costs that may be tied to any remedy, necessary to provide for the safe and secure transport and handling, of prisoners within the court house to a space for a criminal hearing that is deemed by the court, to be “constitutional.”
While the deck maybe stacked against us; given the financial challenges this County faces due to actions at the state and federal level, all the unfunded mandates, directives, decisions, and the elimination of aid that historically had allowed a stable tax rate to the citizens of Warren County; it is time to for this to be vigorously responded to in the public forum to be addressed.

I remain confident that Warren County will address its challenges successfully. I am proud to serve with my colleagues, who I know care deeply about this county and its residents, and will do what is needed to move us in a positive direction.

Thank you for attending our reorganization meeting today, and may you all have a very Happy New Year.

Edward J. Smith
Freeholder Director