SPECIAL FREEHOLDER BUDGET WORKSHOP MEETING MINUTES March 6, 2019 AT 5:30PM
FREEHOLDER MEETING ROOM

1. CALL TO ORDER:  Director Yardley

2. ROLL CALL:  Present- Freeholder Director Yardley, Freeholders: Fantasia, Graham, Hertzberg and Petillo.  Also County Administrator Poff and Clerk to the Board Lyons.  County Counsel is excused from this meeting.

3. MOMENT OF SILENCE AND SALUTE TO THE FLAG

4. PUBLIC STATEMENT
*Pursuant to the Open Public Meetings Act, Chapter 231, P.L. 1975 Adequate Notice as defined by Section 3D of Chapter 231, P.L. 1975, has been made by regular mail, such notice being submitted on March 1, 2019, from the Administrative Center of the County of Sussex, located at One Spring Street, Newton, New Jersey to the following:
New Jersey Herald    WSUS Radio
New Jersey Sunday Herald   WNNJ Radio
Star Ledger
and is also posted on the bulletin board maintained in the Administrative Center for public announcements and has been submitted to the Sussex County Clerk in compliance with said Act."

5. APPROVAL OF AGENDA:  Motion Freeholder Petillo, second Freeholder Hertzberg.
Voice Vote: All Members present voted in the affirmative

6. EXECUTIVE SESSION - None

7. PROCLAMATIONS/CERTIFICATES/PRESENTATIONS – None

8. PUBLIC HEARINGS- None

9. PUBLIC SESSION FROM THE FLOOR
Comments are limited to 5 minutes or less and must only address issues regarding agenda items.  Please state your name, and print your name and municipality on the sign in sheet.

Motion to open the Public Session:  Freeholder Graham
Second: Freeholder Petillo
Voice Vote: All Members present voted in the affirmative.

Comments:
Mr. William Getter, Wantage – The Budget has been a disaster and we need more reduction and not more increases.  The County has spent millions on the County 911 Center; it has proven not to be cost effective and should be shut down.  The Net Valuation on which County Taxes are apportioned is inequitable.  Some municipalities have little and others have major increases from the County Tax Rate.

New Jersey residents are facing major issues in our schools and environmental regulations which will bear greater costs on the tax payer.  Closing remark is to request a Traffic Study on County Road 623 in Sussex Borough, a very rural road.  Mr. Gettler believes the Speed Limit can increase from 25 mph.

Motion to close the Public Session: Freeholder Petillo
Second: Freeholder Fantasia
Voice Vote: All Members present voted in the affirmative.

10. FREEHOLDERS’ COMMENTS
Freeholder Director Yardley indicated Comments will be deferred to the March 13th Regular Meeting.

11. APPROVAL OF CONSENT AGENDA – None

12. APPROVAL OF MINUTES- None

13. APPOINTMENTS AND/OR RESIGNATIONS- None

14. RESOLUTIONS- None

15. AWARDS OF CONTRACT/CHANGE ORDERS/BID- None
Also in attendance are CFO Yetter and Auditors Raymond Sarinelli Sr. and Jr. from the Firm Nisivoccia LLP.

Mr. Poff presented a Power Point program; see attached.

Mr. Poff indicated there had been several modifications to the draft budget from the document distributed to the subcommittees on February 22 and 23rd. The proposed County Budget calls for revenues and appropriations totaling $112,198,489.

The modifications are as follows:

1- 2019 Federal and State Grants
The County received confirmation for the Violence Against Women Grant. This grant is included in the Operating Budget and has no impact on Tax rate. The total for all grants and offsetting appropriation in the 219 Budget is $4,162,470. The County anticipates approval of additional grant awards throughout the remainder of the year that will be incorporated into the County Budget via Chapter 150.

2- Social Services Budget
The final budget for Social Services after initial review by the State decreases the Administrative County Share by $736 and decreases the Service County Share by $529.

3- Sheriff’s Motor Vehicle Purchase
Based on the base price of vehicles for the Sheriff’s Department, the line item in the proposed budget is being increased by $5,500.

4- Fleet Management Parts
Based on items 2 and 3 above result in a net change of $4,235 which is being offset by auto parts.

5- 911 Part-time On-Call Pay & Jail Nurses Part-time On-Call Pay
It is requested by the Sheriff’s Department upon final review to move $24,000 from on-call pay in the Jail to on-call pay at the 911 Communications Center.

Tax Rate and New Construction
The 2019 draft County Budget calls for a rate decrease of $0.00252. The County’s net equalized value increased 2.43% primarily due to inflation.

The change in the County tax rate represents a $25.78 increase to the 2019 Average Residential Equalized Value of $256,941. The 2019 draft Library Budget calls for a rate increase of $0.001357. The change in the County Library rate represents a $5.14 annual County Library tax increase for an assessment home of $236,935. The County Open Space tax rate is proposed to remain flat.

The County Tax Administrator has certified that revenue generated in the increase of value of property with the County equals $275,545.26.

Raymond Sarinelli Jr comments:

Mr. Sarinelli provided the Board with a Chart from the New Jersey Division of Local Government Services noting that Sussex County ranks in the 39th percentile or 9th lowest of the 21 Counties in the State for residential property taxes.

Freeholder Comments:

Freeholder Director indicated that the Board will consider future Capital Bonding to be approved by voters. Discussion then followed regarding the use of some of the funds from the $7 million dollar sale from the Homestead.

In 2024 the County will experience a decrease in Solar payments and as this cost reduces it should be considered for future Capital Spending

Freeholder Hertzberg posed questions to CFO regarding County investments from the Sale. Ms. Yetter explained that the Proceeds are divided between the Current Fund, other bank accounts and investment accounts.

Freeholder Fantasia commented that she understood $7.6 million dollars from the Homestead Sale were to be funds directed to Senior Services as was the spirit of the former Board. Do we have something in this current Budget that fits that we can take funds from this sale and apply it to such program costs.

Raymond Sarinelli, Sr. noted that in 2012 the Board adopted a Resolution which established a policy for the use of the Homestead Sale Proceeds.
The Policy indicated that the County would not expend any portion of the sale proceed unless the Board adopted a specific Resolution indicating amount and purpose for which the expenditure was being made. It was not the intent of the Board to have these funds to cover recurring costs. Freeholder Fantasia inquired where the savings are reflected from the new legal structure. Mr. Poff responded that on page 2 of 9 of the Proposed Budget the savings are reflected in the Salary and Wages Lines of -65.25%

Next Freeholder Fantasia commented, that granted the prior Board had to begin this Budget process in August 2018 and I and Freeholder Hertzberg have joined January 2019. We appreciate the work of County Administrator and CFO, but the amount of debt is staggering and we cannot continue to raise taxes.

Freeholder Hertzberg commented that 5% being funded for the annual Capital Improvement Program resulting in 95% to be Bond is not the solution to get us out of debt. We need to be creative; we need to look at revenues. We certainly have our work cut out for us and given it is the 11th hour and State deadline looms in the near future.

Freeholder Petillo commented that Debt has been a major topic for recent years. As a result the County proceeded with several cost saving programs and in the near future we see the Solar Debt reducing. Agreed this might be the year to set debt transition plans in place for 2020 Budget. Remember between 2008 to 2010 the former Boards cut the Budget to bones and the County had to deal with Solar. This year the Revaluation further hindered us.

Freeholder Graham noted that Solar was crippling which cause the Board to move in a direction to reduce CIP program from 16 million to 10 per year. However, we cannot continue. We have excellent Staff and Engineering does a phenomenal job but during the 2008-2010 timeframe Mother Nature damaged 160 Bridges with Hurricane Irene and Tropical Storm Lee. It is important to understand how we got to where we were. Plus the 911 Center is another topic that warrants further examination.

Freeholder Yardley commented that the County is home to 448 bridges and they all need to be repaired and 310 center line miles of road. We have a lot that we manage and almost 74% of our acreage is in Federal Lands and let us not forget the impact of the Highlands Act. We have a lot of restrictions.

Freeholder Hertzberg commented Budgeting has a different attitude in government. The impact of the emergencies and Solar are what have caused this debt. But when in debt you can make bad decisions and we need to stop this cycle.

Freeholder Graham inquired about refinancing the Solar debt. Messiers. Poff and Sarinelli indicated this was considered last year but there was a recent refinancing by MCIA and to do so again last year proved not to be profitable. Mr. Poff agreed he would this year he would refresh the prior analysis.

Freeholder Graham emphasized that we need to insure that future Boards to not back Bonds that are outside our purview which is what happened with Solar. We need to be very careful.

Freeholder Fantasia referred to a recent publication about Warren County’s success to become debt free. Granted we are not a mirror image of that County but this was accomplished with cuts and tax increases.

Freeholder Graham indicted years ago Sussex County was debt free. We were able to pay as we go, but that first started to change once the County decided to build the Jail, then along came Solar.

Mr. Poff noted that County Government is a service industry delivered by people. The County serves some of the most marginal citizens with the greatest of needs. We have a Union work force with contractual salary increases and there are real challenges with group health insurance and pension costs. However, we have seen success in various cost saving measures. It was 30 years ago when we were paying as we go and it is possible to return, but it will take time.

Freeholder Hertzberg expressed the County needs to be more proactive in its Economic Development. Freeholder Petillo indicated that in 2018 the County joined the Economic Partnership and have again funds proposed in this Budget for the Membership.

This concludes Freeholder Comments.

17. PERSONNEL- None

18. ADMINISTRATIVE REPORT - None

19. COUNTY COUNSEL REPORT- None

20. UNFINISHED BUSINESS - None

21. NEW BUSINESS - None

PUBLIC SESSION FROM THE FLOOR
Everyone is asked to keep their comments to 5 minutes. Please state your name and print name and municipality on sign in sheet.

Motion to open the Public Session: Freeholder Petillo  
Second: Freeholder Fantasia  
Voice Vote: All Members present voted in the affirmative

Mr. Gettler, Wantage –

You come up with average numbers and this does not work for the average tax payer. Again the Equalization Chart was referred and the anticipated increase even when there are no tax increases. It is not equitable. Keep this in mind when considering your average.

Again addressed new proposed C1 Stream Buffers. Hearing for this legislation which take place near Trenton, yet we are impacted. These hearings should be held in Sussex County.

Peter Knipe, Frankford – Last week read article in newspaper that new Freeholders articulated this evening and that is that the County is in trouble. Am encouraged tonight and equally discourage from what I have heard tonight. Encouraged that new Freeholders Fantasia and Hertzberg have shown the light. Shame to the previous Boards who ignored this. Kudos to County for day to day, but running the County is more than for Services it for Economic Development. The County needs to take its future seriously and it is time to get real and bring in real tax ratables.

Neal Kenny, Green – Is it possible to get copy of Power Point. Mr. Poff will facilitate to provide a copy. People don’t want to pay more taxes but they want more services. I think the Board looking at that Reserve / Fund Balance could be dangerous for the next emergency. Unions will not change, but maybe County should reconsider when someone retires not to replace. This is not an easy task, but you should not go into the Kitty to rob from Peter to pay Paul. Education costs are also staggering.

Motion to close the Public Session: Freeholder Hertzberg  
Second: Freeholder Fantasia  
Voice Vote: All Members present voted in the affirmative.

22. REMINDERS-None

23. ADJOURNMENT

Prior to Adjournment, Mr. Poff sought direction from Board to give to Treasurer now to prepare for planned Introduction of what is proposed for the March 13 meeting. Including the Resolutions for Authorizing the Library and Open Space Taxes.

Freeholder Hertzberg indicated he was not prepared for some of the information presented this evening he has only just reviewed. After further discussion the Board agreed to defer Introduction until March 27th and will advise Mr. Poff accordingly as to further budget review and considerations.

Freeholder Fantasia concurred and sought additional time to again review the document and perhaps locate so “low hanging fruit” that can be picked.

The Board in conclusion agreed to defer discussion to the March 13 meeting.

Mr. Poff reminded the Board they are required by Statute to introduce a Budget by March 27, 2019.

Motion to Adjourn: Freeholder Petillo  
Second: Freeholder Fantasia  
Voice Vote: All Members present voted in the affirmative.  
The time is 7:16 PM

DATED: March 6, 2019

Respectfully Submitted,

Teri Lyons  
Clerk