

SUSSEX COUNTY, NEW JERSEY
SPECIAL FREEHOLDER BUDGET WORKSHOP MEETING
February 18, 2020 AT 5:00PM
FREEHOLDER MEETING ROOM

1. **CALL TO ORDER BY DIRECTOR PETILLO**

2. **ROLL CALL** Freeholder Fantasia, Freeholder Fasano, Freeholder Hertzberg, Freeholder Petillo, and Freeholder Yardley.

Also in attendance: County Administrator Greg Poff, County Treasurer/CFO Elke Yetter, County Auditor Ray Sarinelli and the Clerk to the Board Teri Lyons.

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 February 6, 2020 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** made by Freeholder Fantasia; seconded by Freeholder Hertzberg
(Voice Vote) All voted in the affirmative

6. **EXECUTIVE SESSION** - Nothing this evening.

7. **PROCLAMATIONS/CERTIFICATES/PRESENTATIONS** – None for this evening.

8. **PUBLIC HEARINGS**- No Hearings this evening.

9. **PUBLIC SESSION FROM THE FLOOR**

Comments are limited to 3 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 meeting to the Public made by Freeholder Fantasia
Seconded by Freeholder Hertzberg
(Voice Vote)- All voted in the affirmative

Carl Luthman, Lafayette suggested an idea on how to approach the budget process rather than "what can we spend, to this is all we can spend". The Board should not vote for a budget that would increase the tax rate. You need to get away from a one-year budget mentality. The process he is suggesting will not be easy. Advances in technology commands how government operates. Because this Board offers a centralized emergency dispatch, it has saved his municipality money. It would be prudent to look for more options for consolidation. It is important to think first what is best for the citizens not election results. .

Freeholder Petillo responded to some of Mr. Luthman's comments. She agreed shared or consolidation of services is beneficial. Former County Administrator John Eskilson attempted to consolidate Tax Assessing at the County level, but the municipalities would not join. The County has several shared services and all work favorably, but we cannot force municipalities to join if they are unwilling.

Mr. Gettler, Wantage addressed an issue in 2018 where District 24 Legislators sponsored a multimillion dollar school bond disaster which in turn Governor Murphy cut \$500,000,000. This tax will be will be collected by our real estate property tax bills. He wanted to know if the State will impose this tax for the deadline to notify the Counties is March 1st. His second item is the assessed value of the County which will affect the tax rate. Freeholder Hertzberg ran on the idea of reducing taxes and last year, but did not get the time and would address it this year.

Freeholder Hertzberg rebutted Mr. Gettler indicating that he has been addressing the financial problems of the County. The County has a ridiculous amount of debt. As Mr. Luthman stated this should be handled like your home finances and the debt should first be paid down before you do anything. That is the issue we are dealing with. The long term plan should be to reduce taxes but we first have to deal with the short term problem which is the increasing debt.

Mr. Gettler feels people are being forced out of the County due to the County budget.

Freeholder Fantasia responded to the School Bond that District 24 supported. Part of this funding is to enhance school security which will allow for silent panic alarms to be installed in every public school in the State. Being a School Principal she fully welcomes that and is in complete support of school security and has zero problems with it being a taxable item. It is a need.

Mr. Gettler stated the problem was that when it was first proposed it was never communicated to the public that it would come down on our property taxes. The bill statement when published was misleading and the voters were never aware of what they were voting on. Mr. Gettler suggested the Board look at the last school bond issue which resulted in investigations and no found money.

MOTION made by Freeholder Hertzberg to closed the Public session

Seconded by Freeholder Fantasia

(Voice Vote) All voted in the Affirmative

10. **FREEHOLDERS' COMMENTS** – Comments tonight will only focus upon the Budget after the presentation.
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

16. **FINANCIAL**- 2020 Budget Review

Mr. Poff stated the most significant policy statement that the County adopts on an annual basis is the operating budget. The budget is developed in collaboration with County Department Administrators, Constitutional Officers and a variety of agencies and institutions that have a legal entitlement to receive funding from the County. The budget subcommittee prepares recommendations and the Board of Chosen Freeholders determines the needs and interests of the County by a public hearing and adoption of the budget.

Significant dollar increases are seen in the following appropriations:

Public Safety other expenses. This is due to continuing the implementation of the contract services agreement with Morris County for the housing of adult inmates and improving the communications center capabilities with additional tower site leases and equipment.

Public Works salaries and wages. By dedicating resources to improve road, bridge, and tree crew staffing levels and expand funding for the Office of Mosquito Control to meet increased service demand.

General Government other expense, Health and Welfare other expenses and Capital Improvements by addressing compensation issues and skilled staff to deal with recruitment and retention and implementing time and attendance system for increased accountability and internal control. Also, advance the grant application for Library Construction Bond funding at no cost to the County taxpayer.

The expense side of the budget is assigned by department and divided within each department into "Salaries and Wages and Other Expenses." These expenditures are presented in a line-item format. Appropriations are the platform that allows County government to deliver services to its taxpayers and stakeholders.

Based on the Budget Subcommittee and Capital Projects Subcommittees' review there are a number of suggested modifications to the proposed County budget. The modifications are a result of new construction within the County and changes to grant revenues.

The proposed 2020 County Budget calls for a tax rate increase of \$0.005010. This change in the tax rate represents an average annual tax increase of \$5.01 per \$100,000 of equalized valuation. The proposed 2020 draft Library budget calls for a rate increase of \$0.001967 and that change represents a \$1.97 annual increase per \$100,000 of equalized valuation. There is no proposed increase to the Open Space tax rate. The total annual tax rate impact is an increase of \$6.98 for every \$100,000 of equalized valuation.

In conclusion the proposed budget calls for appropriations of \$117,272,562. Total operations are up \$1.5M or a 1.72% increase from the adopted 2019 budget. Mr. Poff thanked Chief Financial Officer Elke Yetter and County Budget Director Mary Jones-Schaming for their efforts in the preparation of the draft 2020 County Budget. He recommended that the budget introduction and approval be at the March 11 meeting with a public hearing and adoption on April 8th.

Freeholder Remarks:

Freeholder Fantasia recently attended a meeting with the Sussex County Arts and Heritage Council and the release of State Funds was predicated on this meeting. The Arts and Heritage's expense budget is

\$129,183.00. It is currently the second lowest in the state. The Council receives \$49,497 from the State of New Jersey. The alarming part is the support from this County. Other counties allocate to their Arts and Heritage Council much more than we budget. Apparently up until 2008 the County allocated \$15,000 annually which dropped to \$7500 and has further reduced to \$3,200.00 for the past couple of years. The Council is responsible for soliciting donations to make up the difference and is benefitted with approximately seventy volunteers. The Council has not had an Executive Director for quite some time and as a result they are trying multiple ways to bring in extra revenue. It is a real challenge. If the County only funds \$3,200 it does not foster the state's impetus to give more funding. It would be in the County's best interest to increase our contribution up to \$7500 for 2020 if we want to maintain this Council. As for the Library project we are still at a time when there are many significant needs and it would be worthy to have a discussion on the use of the Homestead Sale proceeds to fund this project. Freeholder Fantasia looks at the budget as a document of wants and needs. Is this a want or is it a real need?

Freeholder Hertzberg would like to see some presence for Economic Development in the County. Growing the ratable through businesses is a way to increase revenue and lower taxes without burdening the taxpayer.

Freeholder Yardley concurred.

Mr. Poff stated that this budget begins the process of economic development by rebuilding the Division of Planning. This division is the entity that Economic Development relies upon in terms of understanding water capacities, waste water capacities and land use capacities. The County currently has two licensed Planners on staff when historically the County had up to six licensed planners on staff. The problem is that one planner is dedicated to NJTPA leaving the other planner to deal with all other needs. By restoring the position of Planning Director this will help with some of the human resource issues.

Freeholder Fantasia reported she attended the Sussex County League of Municipalities and some of the information coming out of Trenton is that any new development will be checked so that it doesn't leave a negative climate footprint. Freeholder Fantasia suggested that the County is careful not to put all its eggs in one basket with economic development. All is possible, but it will take time because the State backs us into a corner at all times. It is difficult to swallow the amount of our debt but we are going to have a debt reduction plan going forward. Regarding the Library sometimes you have to spend money to get something in return.

Freeholder Petillo responded that the library will not cost the County. We are acquiring the Dennis Branch from its current owners. As for the Library Bond Referendum, no matter what we do, the Bond cost will be paid by taxpayers throughout the State. The funds that were put aside from the Homestead sale are to be used for this one time improvement to the Library. Remember, the County has put into place two policies to help with debt reduction. The Debt Management Policy adopted last year and the Fund Balance policy in 2018. We don't want to talk about solar but we have \$1.8 million dollars in our budget for solar obligation every year. We have had \$11 million dollars in storm damage from Storms Irene and Lee. These storms created 160 projects, of which 145 were bridges. Four bridges still remain to be opened along with other storm remediation projects. All of these past circumstances have set us back and need to be dealt with in our budget every year.

Regarding Economic Development, you need to have the resources to make it happen. Both Mr. Poff and Sussex County Economic Development President Tammie Horsfield met with the New Jersey Highlands Council. In this meeting we were told we could be eligible in millions of dollars in Grants, but we do not have the manpower to get things done. These are all good things to talk about and think about.

Freeholder Fasano reported he had a recent conversation with the Sussex Morris Warren Work Force Development Board and was told that Sussex County has been absent and the Work Force is receiving nothing close to what Morris County is receiving. As a result of this conversation he met with the County

Administrator and CFO. Sussex County's representation to this tri-county group should be Technical Education.

As for the acquiring the Dennis Library Branch library it will help us from an assets standpoint plus the Chamber of Commerce has gotten involved as well. Sussex County should take the lead with Work Force Development particularly technical education and all of these ideas have a trickle down effect. However, one of the things that have not been addressed is human capital and giving our employees what they deserve. This budget addresses a lot of weakness and he feel it is a great starting point.

Freeholder Fantasia concurred regarding human capital. It is shocking to see that we are paying county employees considerably less than what some municipal employees in this County are being paid. To retain quality employees is critical.

Freeholder Hertzberg said it is hard to question why others before us made their decisions, especially when at those times the economy fell. We are working hard to repair our history and make decisions to bring the County into the future.

Discussion ensued on this topic.

Freeholder Petillo feels this budget is helping us to move forward and she thinks the work on this budget has been admirable.

Freeholder Yardley said he has lived in the County for 36 years and he strongly feels the solar project put us in this financial situation. There should be a way to work with the Chamber of Commerce to look at ideas regarding Economic Development. It would be a good idea to have an avenue for anyone who wants to come to Sussex County to get accurate information on exactly what they need to establish a business here.

The Freeholders agreed this is an important topic and they will continue it at a future date. .

17. PERSONNEL-None
18. ADMINISTRATIVE REPORT –None
19. COUNTY COUNSEL REPORT-None
20. UNFINISHED BUSINESS- None
21. NEW BUSINESS

Mr. Poff inquired if the Board is satisfied with the draft budget then consideration should be given to introduce the Budget at the March 11th meeting and scheduling the public hearing and adoption at the April 8th meeting. The only outstanding item is Freeholder Fantasia's request for the Arts and Heritage Council. The Board concurred and agreed for the increase.

Freeholder Fasano next requested that additional funds, no more than \$5,000 be provided to the County Food pantry. Freeholder Fantasia stated that the food pantry is a need and there she agrees to the additional funds.

Mr. Poff stated that he could identify appropriations within the Division of Social Services. He is currently evaluating to see if this can be accomplished in terms of dollars or in kind time for the Pantry.

Freeholder Hertzberg remarked he wants to see more towards Economic Development.

Mr. Poff stated this budget continues to support in a very nominal way to the county's economic development partnership and it is reflected in this budget.

Mr. Sarinelli questioned what dollar amount needs to be identified for the Arts and Heritage Council and the food pantry.

Mr. Poff answered since there is Board consensus to advance these appropriations will do further investigation in the proposed budget.

Freeholder Director Petillo polled the Board. Everyone was in agreement to proceed and introduce the Budget as presented.

22. PUBLIC SESSION FROM THE FLOOR

Everyone is asked to keep their comments to 3 minutes. Please state your name and print name and municipality on sign in sheet.

MOTION to open the meeting to the Public made by Freeholder Hertzberg
Seconded by Freeholder Yardley
(Voice Vote) all voted in the affirmative

Mr. Luthman expressed his concerns about economic development and sharing services with Municipalities. He again asked about the 3.5% CAP Resolution.

Mr. Poff explained the 3.5% CAP and said basically it is a financial planning tool. It is just a journal entry and does not represent one cent.

Mr. Gettler asked what the actual tax levy will be.

Mr. Poff stated the proposed amount to be raised is \$95,597,031. It is an increase from the 2019 budget of \$1,717,589.00.

Mr. Gettler said when you are speaking economic development you need to be extremely careful because there are two proposed bills out there for the Highlands economic area. If they ever get adopted it will be a disaster for us. He said he has asked Parker Space to pull his sponsorship for it and Parker says they will never get passed. We should be working on District 24 to get them to pull them.

MOTION made by Freeholder Hertzberg to close the public session
Seconded by Freeholder Yardley
(Voice Vote)- All voted in the affirmative

23. REMINDERS-None

24. ADJOURNMENT made at 6:35 PM to adjourn the meeting by Freeholder Hertzberg
Seconded by Freeholder Yardley
(Voice Vote) All in favor

DATED: February 18, 2020

Respectively submitted,

Teri Lyons
Clerk