

**These minutes were approved by the Board of County Commissioners on January 27, 2021.*

The Board of County Commissioners of the County of Warren met in Budget Session in its offices in the Wayne Dumont, Jr. Administration Building, Belvidere, New Jersey on January 6, 2021 at 6:00 p.m.

Due to social distancing directives, this meeting was conducted without any members of the public in attendance. The public had the opportunity to listen to the meeting, and participate if they chose, via telephone.

The meeting was called to order by Director Kern and upon roll call, the following participants were present: Commissioner Lori Ciesla, Commissioner Deputy Director Jason Sarnoski, Commissioner Director James Kern III, County Administrator Alex Lazorisak, County CFO Kim Francisco and Deputy Freeholder Clerk Holly Luberto.

After Director Kern led the flag salute, he confirmed with the County Administrator that the meeting notice was in compliance with the Open Public Meetings Act, Chapter 231, P.L. 1975.

The meeting was promptly turned over to Mr. Francisco for the initial budget overview. He reviewed finance notices from the Division of Local Government Services, noting that deadlines were relaxed this year, with budget introduction due by March 30 and adoption no later than April 30. The COLA cap was one percent, but can go up to 3.5 percent as long as the board passes a resolution. Mr. Francisco said this was a safety measure we normally implement, and we bank what we don't need.

COVID funding and expenses for 2020 were reviewed. Total expenses were \$4,680,431. While Mr. Francisco provided verbal details regarding specific grant requirements and reimbursements, Mr. Sarnoski requested a spreadsheet listing all debits and credits, which Mr. Francisco said he could prepare for a future meeting. A substantial amount of money remained in a CARES Transportation grant, but the grant disallowed vehicle purchases. Mr. Lazorisak suggested looking into utilizing the funds for vaccine distribution purposes, which seemed to be a promising idea. The commissioners thought COVID should have its own separate budget, and would require more detailed discussion at a later date.

Moving on to the overall budget, anticipated revenues were reviewed. Highlights included higher than anticipated revenues in TASS and the County Clerk's

Office (strong housing market) in 2020, and some Open Space debt dropping off in the current year. Revenues that fell short of projections were motor vehicle fines and interest on investments, which took a big hit. The budget at this time included nearly \$250,000 in increased anticipated revenues.

Turning to the appropriations side, 2021 was bringing huge increases in pension costs and state psychiatric hospital billing, neither of which the county has any control over. Legal fees and liability insurance were also going up, and IT had requested more contracted help. All appropriations as submitted were in excess of \$3 million. “We’ve got a problem,” said Mr. Francisco, who suggested it was time for the board to consider increasing the tax levy by two percent.

Additional concerns for future years included the following:

- 2017 Cap Law limiting constitutional officers’ budgets to two percent net increases
- An aggressive capital improvement agenda for 2021 that will deplete that fund
- Investment income was not expected to increase soon
- Capital funding for the CDH library branch (the county had hoped to receive a state grant, but did not)
- The county was self-insured, which had an element of risk
- Out of pocket COVID-19 expenses for 2021

The library’s budget was discussed briefly. Its levy would remain the same as 2020. Mr. Sarnoski thought the board might need to re-think the CDC improvements, since it was counting on that state assistance. Reimbursements from Phillipsburg relative to the federation agreement were helping the bottom line. The Southwest branch would be paid off at the end of 2022.

The Open Space budget was doing great, with 10 years’ worth of funding available. “Of all our budgets, Open Space is the best,” Mr. Francisco said. Mr. Sarnoski wondered why the county should keep building such a large reserve, particularly since debt was completely dropping off this year. He noted only 10 percent was allowed to be put toward program administration.

Detailed handouts of initial budget numbers for both general government and the capital improvement program were distributed, with Mr. Francisco pointing out a few specifics for more detailed discussion as the process progressed.

Mr. Francisco said no one wants to raise taxes, but we’ve been down for five years. He said if we don’t do it now, we’ll pay for it later. Mr. Kern noted that the

shortfall was COVID-related. Mr. Sarnoski said it wasn't easy to responsibly budget and the commissioners were going to have to be tough on all the requests coming before them.

The group recessed at 6:54 p.m. for a break. Upon reconvening 7:00 p.m., Human Services Director Shawn Buskirk approached the board. One of the largest county departments, Human Services is comprised of three divisions with roughly 100 employees: Administration, Aging & Disabilities Services, and Temporary Assistance & Social Services (TASS). Ms. Buskirk was requesting no increase to O.E. in Administration. Funding to most outside agencies has now ceased, after tapering off for five years following the sale of Warren Haven. Partnership with about 18 agencies providing roughly 30 programs would continue, dealing with addiction, youth and transportation; as well as services provided by NORWESCAP and DASACC, for example.

The Adjuster was facing higher costs in legal fees – both in terms of increased need and rate per billable hour. Gun permits have actually decreased, because that responsibility has shifted to the state. As had been mentioned in the earlier overview, the cost for state institutionalizations was going up substantially. Mr. Francisco said the matter was not open for discussion, and the county had no choice but to budget an unprecedented \$4 million, up from \$3.2 million the prior year. It was a puzzlement, but there was hope that NJAC Executive Director John Donnadio would get involved on behalf of all the counties to help tackle the issue.

Ms. Buskirk alluded to a personnel request to be addressed at a later date.

Division of Aging & Disabilities Services was next, with Division Director Lakshmi Baskaram. The division's O.E. reduced by \$50,000 due to additional CARES Act and ADRC funding, among other sources. Revenues were expected to be the same as 2020.

The congregate meal program continued, having shifted to more grab and go meals due to the pandemic. The cost per meal was increasing slightly this year, as were transportation costs. The increasing minimum wage, plus administrative costs for contractual employees, was impactful. Ms. Baskaram requested converting one Manpower title to part-time (28 hours) county employee status, which should be budget neutral over time. She had terminated the contractual relationship with Phillipsburg Meals on Wheels; Visiting Homemaker Services was now the provider for that area. Volunteers were being sought. Senior population statistics were included in Ms. Baskaram's presentation, as well as service trends and details on transportation.

TASS Director Lauren Burd was next, and began by thanking the commissioners and administrator for their support. On the revenue side, the division surpassed its goal by \$291,765 (in state reimbursements). Mr. Sarnoski said this was the result of a plan Ms. Burd presented to the board four or five years ago. She came through, and he thanked her. Ms. Burd said it was a good step that created many more efficiencies, and she was very proud on behalf TASS.

COVID forced adaptations so workers could process benefits from home. Ms. Burd said the state was very responsive to their suggestions; that Warren County was like a pilot program. She said the virtual format was working very well. This was crucial, because there was increased need and a lag in unemployment benefits, and they were able to fill that gap. She said they were processing benefits the same day, and people were grateful. Some clients still needed to be met with face to face, however. Ms. Burd provided statistics regarding the increased need. As of October 2020, TANF was up 9.8 percent; SNAP was up 30.3 percent; and GA was up 17.4 percent.

Ms. Burd reviewed Medicaid processing and revenues, and how they were able to catch up with their backlog in recent years. This was due to the restructuring Mr. Sarnoski had mentioned earlier, allowing TASS to capitalize on increased quarterly payments. Beginning July 1, 2020, bonus payments of \$10,000 per quarter were awarded for processing 100 percent of initial applications within the federal guidelines. Warren County earned the payment for both quarters. "Our staff was amazing," Ms. Burd said. She went into further detail regarding Medicaid and timeliness. "We're doing really well," she said.

DIMS, the system that electronically images and stores documents, has been a great success. To date, 52 boxes containing 8,048 case files had been destroyed. An additional 38 boxes were awaiting destruction. Mr. Lazorisak estimated space in the division increased by 25 percent due to the removal of boxes. Ms. Burd said it was now possible to scan in paperwork submitted by a client, and hand the papers right back to them, eliminating the need for any paper files.

Mr. Sarnoski inquired about staff turnover in the division. Ms. Burd said there were several vacancies, but it was hard to start new people in a pandemic, plus there were delays due to Civil Service testing schedules.

Mr. Sarnoski said Human Services does a great job. Mr. Lazorisak agreed, saying Ms. Buskirk, Ms. Baskaram and Ms. Burd always came through, deserved a lot of credit, and it was much appreciated. "Excellent job," he said.

This portion of the meeting ended at 7:56 p.m., after which the group took a short break.

Information Systems Director Bob Sidie began his presentation at 8:01 p.m. and distributed a handout summarizing his department's vision, mission and examples of infrastructure and applications supported. He said they were implementing numerous systems and always trying to improve. Mr. Sidie talked about the recent international hacking of Solar Winds, which did not affect Warren County because it was a "fancy system" that the county couldn't afford. A list of recent blocked security alerts illustrated that most originated from Russia and China.

Teleconferencing was discussed. Mr. Sidie said it did not carry a great risk, but his concern regarding Zoom was that the platform was known to collect information from users, which he thought was the real danger. He preferred Teams and WebEx for online meetings.

Mr. Sidie reviewed a number of objectives he hoped to achieve in 2021. One highlight was to implement a centralized fax server with an estimated cost of \$8,000, but projected to save \$8,000 per year. Some objectives were subject to delays, waiting for Microsoft to certify equipment.

Mr. Sidie provided a ticket summary of requests for IT help by department, which totaled 5,223 requests for the year 2020. Discussion ensued regarding the nature of the requests, the burden they impose on IT staff, and the role of ongoing training for the county workforce. Hence, IT staffing was the next topic. Mr. Sidie proposed getting rid on one vacant part-time position and obtaining three additional contracted employees.

Mr. Lazorisak said IT does an incredible job, especially this past year with all the challenges brought on by the pandemic, requiring people to work remotely. "I don't know how he does it," he said, and didn't think things were going to slow down. Six years ago, 90 percent of the staff were contracted workers, and the county would have shut down if that were still the case. Mr. Lazorisak recommended the expansion and thought Mr. Sidie should start developing a "number two" person.

After a bit more discussion regarding increased livestreaming, online form functionality and the size of a screen for presentations in the commissioner meeting room, this portion of the meeting concluded at 8:47 p.m.

Mr. Sarnoski introduced a concept to help businesses that have suffered losses due to COVID-19. He said we customarily fund the Economic Development Committee (EDC) a modest amount (usually \$50,000) each year. NORWESCAP received about \$400,000 in grant funding for this purpose. He hoped to be able to put some more money aside in this budget to help aid businesses that were in operation before the pandemic hit, had to shut down, and hoped to reopen. He noted sole proprietors were ineligible for prior funding. He envisioned helping with hard costs, such as rent, as opposed to payroll costs, and that NOREWSCAP would administer the program.

In closing, Mr. Kern said this would probably be the most difficult budget in a decade, perhaps since 2008-2009. He said it will be difficult, but we have to figure it out. By adhering to fiscally conservative, responsible governing, he expressed confidence that this board was up to the challenge.

On motion by Ms. Ciesla, seconded by Mr. Sarnoski, and there being no further business before the board at this time, the meeting was adjourned at 8:50 p.m.