

NEW JERSEY ASSOCIATION OF COUNTIES
County Government with a Unified Voice

RICHARD D. GARDNER
NJAC President
Warren County Freeholder

JOHN G. DONNADIO
Executive Director

BOARD OF DIRECTORS MEETING MINUTES

Friday –December 7, 2012

Trenton Country Club – Oakland Room

201 Sullivan Way, West Trenton, New Jersey 08628

In the absence of President and Warren County Freeholder Deputy Director, the meeting was called to order by NJAC First Vice President and Hudson County Freeholder Jeffrey Dublin at 8:37 a.m.

After saluting the American flag, John G. Donnadio, NJAC Executive Director, called roll and a quorum was present.

Members in Attendance:

Jeffrey Dublin, *Hudson County Freeholder*
M. Claire French, *Monmouth County Clerk*
Angel G. Estrada, *Union County Freeholder*
John G. Donnadio, *NJAC Executive Director*
Ed Trawinski, *Bergen County Administrator*
Samuel Fiocchi, *Cumberland County Freeholder*
Heather Simmons, *Gloucester County Freeholder*
Abe Antun, *Hudson County Administrator*
Ann Cannon, *Mercer County Freeholder*
Blanquita Valenti, *Middlesex Freeholder*
Teri O'Connor, *Monmouth County Administrator*
Douglas R. Cabana, *Morris County Freeholder*
John Bonanni, *Morris County Administrator*
Anthony DeNova, *Passaic County Administrator*
Peter S. Palmer, *Somerset County Freeholder Deputy Director*
John Eskilson, *Sussex County Administrator*
Frank Bruno, *Somerset County Surrogate*
Brett Pugach, Esq., *Associate of Genova, Burns & Giantomasi and NJAC Labor Counsel*
Michael O'Connell, Esq., *Associate of Pringle, Quinn & Anzano, PC and NJAC General Counsel*
Michael F. Barrett, Sr. *Consultant of Greenman-Pedersen, Inc. & NJAC Transportation Consultant*
Richard E. Lane, Sr. *Consultant of Greenman-Pedersen, Inc. & NJAC Transportation Consultant*
Allen A. Weston, *NJAC Legislative Director*

Absent:

Atlantic County
Burlington County
Camden County
Cape May County
Essex County
Hunterdon County
Ocean County
Salem County
Warren County
County Executive
County Sheriff

Also in attendance:

Daniele Spence, *Aide to Freeholder H. Simmons*
Dejon Morris, *Chief of Staff to Freeholder J. Dublin*
Elaine Flynn, *Middlesex County Clerk*
Mary Jo Buchanan, *Morris County Deputy Administrator*
Andrew Goldschmidt, *Director of Membership Marketing for NACo*

The minutes of the September 28, 2012 Board Meeting were unanimously approved on a Morris/Somerset County motion.

Guest Speaker:

Andrew Goldschmidt, Director of Membership Marketing for the National Association of Counties (NACo), discussed the membership benefits and various programs offered through NACo. Such programs offered are the Prescription Discount Program; Dental Discount Program; US Communities - Cooperative Purchasing Program; Nationwide Retirement Solutions; and Grants Clearinghouse.

The 2013 NACo Annual Conference will be held in Fort Worth of Tarrant County, Texas from July 19th through July 22nd. Members were encouraged to attend.

Official Reports:

1. **Secretary/Treasurer's Report** - NJAC Secretary-Treasurer and Union County Freeholder Angel G. Estrada informed the Board of the current financial status of the New Jersey Association of Counties followed by the report of the NJAC Benefits, LLC.

As discussed in previous meetings, it had been decided to dissolve the NJAC Benefits, LLC. The NJAC Benefits, LLC bank accounts are now closed and all funds were transferred into a NJAC account. The NJAC General Counsel, Pringle Quinn & Anzano PC, have submitted paperwork to the State to dissolve NJAC Benefits, LLC.

In November, the Finance Committee held a conference call meeting regarding the proposed budget for 2013 presented before board members. The following items were addressed:

- a. It was estimated that NJAC should earn \$225,000.00 at the Annual Conference.
- b. County memberships are expected to be at 100% with dues being increased by 2% and totaling \$197,490.00. Hunterdon and Salem Counties have both verbally committed to rejoining NJAC in 2013 and were the only two counties that did not pay dues in 2012. The 2% dues increase is the first increase in three years and within the 2% property tax cap levy imposed on county governments.
- c. Expected earnings from NACo/Nationwide are set at \$103,000.00. It is a significant decrease from 2011 and 2012 levels of \$130,000.00 and \$120,000.00 respectively. Pursuant to the Taft-Hartley Act, NACo formed an LLC that NJAC joined to continue the revenue stream from counties that participate in Nationwide's Deferred Compensation Program. Moving forward, NJAC will earn its revenue on a competitive basis - the more counties that join NACo and participate in the program, the more income NJAC will earn.
- d. Income from Business Associate Memberships should reach \$63,750.00. This figure includes an increase to the dues from \$395.00 to \$425.00 per year per business associate member. NJAC business associates receive a great deal more for their money than in the past including our monthly e-newsletter, participation at Board of Directors and County Administrators' Meetings, and several other added initiatives.

- e. There is a 30% overhead at \$36,000.00 for the NJAC Foundation, which is an increase from \$30,000.00 in 2012 and subject to approval from the NJAC Foundation Board of Directors. A great deal of time and resources are spent preparing for and distributing scholarships and operating the annual golf outing.
- f. NJAC recently formed County Nursing Homes of New Jersey (CNHNJ). This entity will bring NJAC a new source of income in the amount of \$12,000.00 annually. CNHNJ will play a greater role in advocating for county operating nursing homes and serve as a lead agent in negotiating with healthcare providers when managed care phases in at some point.
- g. Last year, NJAC entered into an agreement with Rutgers University to collaborate on a county administrators' certificate training program and new county officials' training program. The agreement was renewed for 2013 and is expected to provide NJAC with an income of \$4,000.00.
- h. Another new source of income for NJAC will be through website advertisement. It is anticipated to earn the organization approximately \$3,950.00. Business associate members are encouraged to advertise on our website for an annual fee of \$395.00 per year.

Also during the November Finance Committee Conference Call Meeting, the following expenses were discussed:

- a. The annual conference should cost NJAC approximately \$30,000.00. This figure represents a savings of \$5,000.00 due to the elimination of the band which usually performs during the evening of the President's Award Reception.
- b. Salaries and wages are set at \$322,257.00 which includes a 2% increase each for Kim Nolan and Loren Wizman.
- c. Health and Pension Benefits are estimated at \$53,387.00. Employees will begin contributing more to health benefits starting July 2013, which may reduce the aforementioned estimate.
- d. NJAC currently uses the services of Action Data Services for its payroll. The cost for their services is \$4,000.00 annually. NJAC is currently thinking of switching payroll services to ADP which will service the organization for a lower annual fee.
- e. The expense for computer services is estimated at \$5,340.00 due to the cost of services provided by Infocures. It is being considered that the organization switch to L-Tech. More than likely L-Tech will provide cloud based coverage for our information technology at a lower annual fee.
- f. Travel expenses are being increased to \$9,000.00. This represents a \$1,800.00

increase from 2012 to reflect the fact that the NJAC Business Development Director will be meeting with the organization's business associates on a regular basis and travel to various events throughout the State.

On a Passaic County motion, seconded by the County Clerk, and carried by voice vote, the financial report was unanimously approved.

2. **President's Report**– First Vice President Dublin announced that nominations are now being accepted from board members interested in serving as an executive officer – Secretary-Treasurer. Their term would begin in 2013, and eventually serve as President in 2016. Board members were reminded that NJAC must maintain a bipartisan rotation of officers; therefore this year's nominee must be from the Republican Party. It was also announced that pursuant to changes made to the NJAC Constitution and Bylaws earlier in 2012, county administrators may now serve as executive officers.

As it stands now, the slate of Executive Officers for 2013 is as follows:

- President – Hudson County Freeholder Jeffrey Dublin
- First Vice President – Monmouth County Clerk M. Claire French
- Second Vice President – Union County Freeholder Angel G. Estrada
- Secretary-Treasurer – *vacant*
- Immediate Past President – Warren County Freeholder Richard D. Gardner

A resolution should be presented to the board members at the next meeting.

The following resolutions were presented to the board members:

- a. Resolutions honoring the services of Sussex County Freeholders Susan M. Zellman and Richard Zeoli were unanimously approved on a Somerset County/County Surrogate motion.
 - b. The resolution for the NJAC 2013 Budget was unanimously approved on a Mercer/Union County motion.
 - c. The resolution for the NJAC 2013 Annual County Membership Dues was unanimously approved on a Bergen/Hudson County motion.
 - d. The resolution for the NJAC 2013 Reorganization Meeting was unanimously approved on a Hudson/Middlesex County motion.
 - e. The resolution for the NJAC 2013 Board of Directors' Meeting Schedule was approved unanimously on a Morris/Gloucester County motion.
3. **Executive Director's Report** – NJAC Executive Director John G. Donnadio reported to the board members that the venue and dates for the 2013 Annual Conference have changed. It will be held at Caesar's in Atlantic City from May 8th through May 10th. A Conference Committee Meeting is scheduled to take place next month to devise the agenda and events.

Following the board meeting is the Year End Summit on Emergency Management & Preparedness. There will be two panel discussions. The first consists of County and State government officials while the second is made up of members of the New Jersey board of Public Utilities and leading New Jersey utility companies. After the luncheon, FEMA Region II Administrator, Lynn Gilmore Canton, is addressing audience members.

It was reported to the board members that Verizon is the corporate host of the Year End Summit; The NJ Petroleum Council is our host for holding the event at the Trenton Country Club; The Conti Group, Johnston Communications, The Louis Berger Group, PNC Bank, and United Water are hosting the continental breakfast; and the luncheon is being hosted by the Millennium Communications Group and PSEG. There are also 16 vendors at the event.

The NJAC staff was thanked for their efforts and dedication in coordinating the Summit.

4. **Legislative Committee Report** - Legislative Committee Chair and Hudson County Freeholder Jeffrey Dublin informed all Board members that a copy of the Legislative Update was enclosed in the provided packets and turned this portion of the meeting over to Mr. Donnadio.

The Division of Local Government Services Local Finance Board proposed new Chapter 78 rules for the approval process for non-State Health Benefits Program health insurance plans. In summary, the new rules implement changes to the State Health Benefits Program (SHBP) enacted on June 28, 2011 under P.L. 2011, c.78 that require a cost comparison for local government employers that have chosen to participate in a health benefits plan other than SHBP. As you know, Chapter 78 permits local units to incorporate a non-SHBP plan into a Collective Negotiations Agreement (CNA), so long as the Division of Local Government Services approves the local unit's certification that the non-SHBP plan achieves aggregate employer savings. This certification applies to any healthcare coverage offered by the local employer through a non-SHBP plan regardless of whether the local employer offers healthcare benefits through SHBP.

Mr. Donnadio requested input from board members prior to preparing and submitting comments on the proposed rules before the January 18, 2013 deadline.

On November 19th, NJAC noted its support of **Senate Bill No. 2241 (Weinburg D-Bergen/Vitale D-Middlesex)** before the Senate Budget and Appropriations Committee. This legislation would prohibit Medicaid managed care organizations from reducing certain provider reimbursement rates without approval from the Department of Human Services.

Also on November 19th, the Assembly Military and Veterans Affairs Committee favorably reported **Assembly Bill No. 1898 (Milam D-Cape May/Vainieri Huttle D-Bergen)**, which would expand the burial rights of indigent veterans.

NJAC does not have a position on this measure at this time as the fiscal impact on county governments is indeterminate; and, the measure contains language that would appear to protect counties from incurring any additional expenses. The Committee favorably reported the bill and referred it to the Assembly Appropriations Committee

for further consideration. The companion version is Senate Bill No. 1075 (*Van Drew D-Cape May*) and currently in the Senate Military and Veterans' Affairs Committee awaiting consideration.

Other Business:

No new or old business was mentioned.

Adjournment:

On a Hudson County motion, seconded by Bergen County and carried by voice vote the meeting ended at 9:42 a.m.

Respectfully submitted by:

A handwritten signature in cursive script, appearing to read "Donnadio".

John G. Donnadio, Esq.
NJAC Executive Director