

**SALEM COUNTY BOARD OF CHOSEN FREEHOLDERS
WORKSHOP MEETING MINUTES
OCTOBER 15, 2014
6:15 PM**

The meeting was called to order by Director Acton: Pledge of Allegiance

Director Acton stated that adequate notice pursuant to the Open Public Meetings Act has been given of this meeting.

On Roll Call, the following Freeholders were present: Deputy Director Cross, Freeholders Laury, Vanderslice, Bobbitt, Ware, Timberman and Acton.

Presentation:

Mayor Barnhart and Committeeman Richie Raine of Pennsville Township – Historic Wilson Line Pier

The Wilson line was created with its headquarters in Wilmington, Delaware in 1881. It operated boats between Philadelphia, Chester, Penns Grove, Wilmington and Riverview Beach Park. It ceased operations in the 1960's.

In August 2014 Pennsville Township was approached the by DRBA pertaining to this possible new Marina with a ferry operation. New Castle has all their permits in place for it to take place on their end and asked if Pennsville was interested in having a ferry service between the two states. New Castle shared all their plans and obstacles they had to overcome with us. Had a meeting to see who had jurisdiction. It is a viable project to revitalize the area.

Freeholder Bobbitt asked where this pier would be placed at?

Mayor Barnhart stated that it will be the same outline of the original Wilson Line right behind the Riverview Inn.

Pilings would be used over sheathing to ensure quality of marine life.

Ferry's would be used for people and bikes, Salem County is on the bike path so it would be a continuation.

Looking into feasibility, jurisdiction and interest to do this project.

Could use the ferry to transport people back and forth to different events being held at each of the parks.

Freeholder Timberman asked if there is a parking lot for the Old Wilson Line.

Mayor Barnhart stated yes there was a small parking lot that was put in that can be expanded.

Delaware wants to be involved in a ferry service with us.

Freeholder Ware asked if condos were still being sought out to be built at the Riverview?

Mayor Barnhart said the permits are good for a number of years, and that the economy for housing is not there yet.

Freeholder Timberman stated that he was going to still have the restaurant and go up with the condos.

Deputy Director Cross stated that Salem City and Delaware City are a lot alike and it is unclear to see if the ferry is the reason for Delaware City's uprising, but it very well could be something great for us over here.

Committee Reports

Administrative – Director Acton

- The Best of Salem County Dinner will be held October 23rd.
- Ardagh Group – Had a meeting with them last Wednesday with the Lt. Governor, Business Action Center, Department of Labor, WIB Board, Berkowitz, 3 Union representatives from Ardagh Group, and Rapid Response will be assisting employees sign up for unemployment. The One-Stop is very proactive to help those people get jobs and additional training if needed.
- Freeholder Vanderslice stated that it was a worthwhile meeting with learning what the state can do to help, and already scheduled a 2nd meeting which is October 29th. Commends Director Acton for all her hard work.
- Director Acton announced that on October 29th, Olde Courthouse 2nd Floor. Geared towards all businesses throughout Salem County. Business Action Center will be letting these businesses know what incentives and programs are available to them.
- Freeholder Vanderslice stated that an incentive could be a business hiring a displaced employee and receiving \$10,000.00 for a 12+month employment. These types of programs need to be discussed.
- Mid-Atlantic has been working 24/7 operation and very willing to work with all businesses.
- Displaced employees from Ardagh will be placed on a rapid response list.
- Freeholder Timberman asked how many of those displaced employees were from Salem County.
- Freeholder Vanderslice stated that question was asked along with the demographics of age, and they received no response.
- One-Stop Is having a Salem County Youth Career exploration symposium will be held October 30th from, 9:30am – 2pm at the Vo-Tech. Exploring different options and opportunities students can have once they get out into the workforce.
- The County is still looking for 2 experienced workers. It is state funded. Please see Stacy Pennington.
- There is an economic development council meeting tomorrow. Kathleen Mills spoke at the Woodstown// Pilesgrove Business Association and did really well. She has been working on tri-folds to pass out for businesses interested in Salem County. October 22nd is wear pink day in observance of Breast cancer awareness
- Health Advocate- Aimee Cooper sent an email out. It is consistent in getting 2nd opinions, resolving coverage, and getting appointments scheduled.
- I just came from Mayslanding from the Atlantic City electric merging with Exelon public hearing. Went very well.

Public Works – Freeholder Laury

- Welcomed Veterans Supervisor Joe Hannagan
- Bids came in for the Willow Grove Road Project. Project was forecasted at 4.9million, South State bid the job at 3.7million thus saving the County an extra \$200,000.00. The road will be closing tomorrow. South State also won the job for Cumberland County. 6 to 10 months to complete the project.
- More traffic request studies came in, there is a resolution on tonight's agenda approving a traffic study.
- Gateway- Construction is moving along. Going to do a traffic study for new possible ramps.
- The Vo-Tech Water Tower – scaffolding is done, and finishing that project up.

Public Safety – Freeholder Cross

- Kudos to the Health Department and OEM for getting prepared for a possible outbreak of Ebola and treatment for it.
- Getting ready for procedures and protocol, adapters for fit test in preparation incase Ebola makes its way here.
- 6th Annual Sheriff's Luncheon at the FOP is October 30th @ 11am.

- SCIA- E-recycling (electronics- tvs, computer screens, printers) There is legislation out that allows x amount of dollars to be spent cost to dispose of these things. The state typically pays for these items to be disposed of but for some reason LD3, Salem, Cumberland, and Gloucester County are always left out of this federal money and we are always putting out money. Meeting is being set up to see if changes can be made so the 3 counties are not taking money out of their respected budgets to pay for something that is not intended in the first place.
- Carneys Point police sworn in Gerald Krivda as their new Chief.

Social Services – Freeholder Timberman

- The Commission on Women by-laws are being reviewed and revised so they do not conflict with each other.
- The Library Commission meets on October 20th.
- Board of Elections have been doing poll worker training, they are still looking for extra funds. Bilingual poll workers are needed, please contact the Board of Elections if you know of anyone.
- Deputy Director Cross stated that the Women in Nuclear 5k donated \$5,200.00 to Women Services.

Health & Human Services – Freeholder Vanderslice

- There were 1,115 Flu Shots administered.
- 338 were given yesterday at Salem Community College.
- The next flu clinic is Tuesday October 21st, at the FOP in Pennsville from 10am to 2pm, and Thursday October 28th at the Health Department.
- It is Disability Awareness Month – Job mentoring with the Arc will be on November 5th. Inviting 7 Arc clients.
- Walk & Talks have been going very well.
- Office of Disability Newsletter is out and filled with great information. Available to the public. Latest Edition.
- Ebola and Enterovirus – The County Health Department has been preparing with the OEM if an outbreak is to occur in our County. Fit tests are being done. Health Department is being very proactive. The CDC.gov website is very useful in keeping the public up to date.
- Freeholder Bobbitt stated that the prep in Dallas was not enough, and asked where our equipment is coming from.
- Freeholder Vanderslice states that the training is for fit testing, so we most likely have all the equipment.
- Freeholder Timberman stated that you have to be exposed to Ebola to contract it. It is very unlikely to happen in this area.
- Freeholder Timberman also asked why the Disability Awareness Meetings have been canceled, and that she was planning on attending the last one, but it was canceled.
- Freeholder Vanderslice responded that there was no quorum and a lot of members could not attend due to sickness.

Public Services – Freeholder Bobbitt

- The Salem Community College applications for President are now due. There are between 33-35 Resumes for the position. The College will have a series of interviews and hopefully an answer in two weeks.
- Salem Community College wants to make it a requirement that the President be a resident of Salem County.

Transportation, Agriculture & Cultural Affairs – Freeholder Ware

- Closing in on NJ350. Commends Kathleen Mills and her team for an outstanding job. The last NJ350 event will be a banner at the Alloway Halloween Parade on October 25th.

Discussion

Kevin Crouch announced that there were 4 changes in the resolutions, and that the updated resolutions have been provided in each other the Freeholder's folders.

County Counsel Michael Mulligan provided a proposed resolution to abolish the Salem County Revolving Loan Fund. It would require a waiver. At the direction of County Counsel, the Administrative Committee issued a moratorium on all new loans while County Counsel reviewed the propriety of the program. An audit of the loan files revealed established lax underwriting practices, defaults, and material loan condition defaults. Additionally, there is no legal authorization for a County to authorize private party loan transactions. Abolishing the revolving loan fund would not impact current loan recipients and would return significant revenue back to County surplus, after repayment of two grants provided for the program startup.

Freeholder Timberman and Freehold Ware asked why are we abolishing this?

County Counsel Michael Mulligan stated that the Administrative Committee met two weeks ago and considered a memo with regards and concerns to the legality of the program and the ability of Salem County to manage such a program. There is no specific grant of authority that says Salem County should be involved in Commercial Lending to private parties. The resolution indicates from my judgment that we are overstepping the bounds of our authority. The resolution would ultimately abolish the revolving loan program to return and receive the grant money that was obtained by Salem County then to insert items of revenue into the 2014 County Budget if you do take action to abolish the revolving loan fund. It would not affect any existing loan agreements that Salem County has.

County Counsel Michael Mulligan stated that there were two instances where there has been default with repayment obligation in addition to it looks to be shotty underwriting in regard to a couple of the loans, and also a circumstance where the state agrees with the program for growth and job expansion. Misapplication to granting an award to private parties in Salem County. The fundamental principal here is that Salem County should not be involved in Commercial Lending.

Freeholder Bobbitt stated that it is an excellent program to help small business like me and other small businesses to help stimulate our economy in Salem County. If you borrow \$30,000.00 with a low interest rate to add onto your building, or hire more people, it is all about jobs, it is all about economic development. I think it's a good way to help generate this for small businesses and I think it is a good program. Certainly you will have people who default, that will always be a case, but I think it is a wonderful program and that is what we decided when we initiated the program. That's all we talk about here is jobs, jobs, jobs, and if we can do something to help stimulate that in Salem County, I think we should continue on with it.

Freeholder Bobbitt stated that first of all don't people put up collateral when they borrow this money? It's not just like they walked away and we just end up with nothing. There is criteria that is to be followed here just like any other loan process, you have to put something up they will not just give it to you.

County Counsel Michael Mulligan stated he will give an example of one loan: one loan was provided for \$35,000.00 for a 5 year term.

Freeholder Bobbitt stated I thought it was only up to \$30,000 you can borrow.

County Counsel Michael Mulligan stated his audit shows that there was at least one loan for \$35,000.00 provided to someone who did not even have a credit score.

Freeholder Bobbitt stated that our process has to be corrected then.

County Counsel Michael Mulligan stated in addition he knows of two sole proprietor businesses who sought the \$35,000.00 loan to provide working capital which is essentially a slush fund, that's not creating jobs.

Freeholder Bobbitt asked what a slush fund means.

County Counsel Michael Mulligan stated that businesses need cash flow which is the backbone of the company, money coming in at the right time.

Freeholder Bobbitt stated he remembers when he applied for the loan you have to provide what you are going to be doing with the money, you can't just say I want to borrow the money and do whatever you want with it. You have to show what you are going to do with the money. Are you going to build onto a building or buy a new truck what are you going to do with the money. There is criteria to be followed you can't just go piss it away, you have to follow the process.

Freeholder Timberman stated that there has been good representation from the banks that sat on that board.

County Counsel Michael Mulligan states that it is a poor business proposition for the County of Salem. This money has been used for nothing more than a down payment. States that small business have been getting this loan with little to no credit just to obtain working capital, and that it is hardly used in expansions or resources. We are taking 2nd positions, 2nd mortgages as collateral for these loans. In this day and age since 2008 real estate value has gone down by a 3rd, the 2nd positions rarely ever get paid. It is poor underwriting. There are not many businesses entities out there making decisions like Salem County is making for a reason.

Freeholder Laury stated that he needs some more time to think about this resolution before he can make a decision.

Freeholder Ware agrees with Freeholder Laury's statement, and added that he knows of small businesses who were going under, took advantage of this loan fund, it got them back on their feet and now they are flourishing.

Freeholder Timberman asked if they could get a list of users.

Freeholder Laury asked if there could be a presentation on this at the next meeting or possible workshop meeting.

CFO Katie Coleman stated yes.

Deputy Director Cross asked County Counsel Michael Mulligan if the information that was provided at the Administrative Committee meeting is the same case law provided in the resolution.

County Counsel Michael Mulligan stated yes. There is no obligation that makes the County of Salem to engage in Commercial Lending.

R. 2014-417

ADMINISTRATIVE

RESOLUTION AUTHORIZING THE EXCLUSION OF THE PUBLIC FROM A MEETING OF THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SALEM

Freeholder Laury made a motion to enter Executive Session to discuss contract negotiations, second by Freeholder Vanderslice, carried by hand vote of 7/0 at 7:14 p.m.

Respectfully submitted,

Kevin Crouch
Clerk of the Board