



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**Commissioners' Legislative Meeting**

**Wednesday, February 23, 2005 (10:00AM)**

**MEMBERS PRESENT**

Jeff Haste, Chairman  
Dominic D. DiFrancesco, II, Vice Chairman  
George P. Hartwick, III, Secretary

**STAFF PRESENT**

Chad Saylor, Chief Clerk; William Tully, Solicitor; Marie Rebeck, Controller; Diane McNaughton, Press Secretary; Nativia Wood, Court Administrator's Office; Dave Schreiber, Personnel; Kay Sinner, Personnel; Bruce Foreman, Assistant Solicitor; Gary Serhan, Controller's Office; Mike Yohe, Fiscal Director; Edgar Cohen, Facilities Maintenance Director; Randy Baratucci, Purchasing Director; Marielena Martinez, Commissioners' Office; Julia Nace, Assistant Chief Clerk ; Jena Wolgemuth, Commissioners' Office; Melanie McCaffrey, Solicitor's Office; Carolyn Thompson, Court Administrator; George Connor, Economic Development; Donna Price, Controller's Office; Garry Esworthy, Risk Manager; Dan Robinson, Economic Development Director

**GUESTS PRESENT**

Eric Epstein, TMI-ALERT; Jack Sherzer, Patriot-News; Jim Ryan, Middletown Press and Journal

**MINUTES**

**CALL TO ORDER**

Mr. Haste, Chairman of the Board, called the meeting to order at 10:00 a.m.

**MOMENT OF SILENCE**

Everyone observed a moment of silence.

## **PLEDGE OF ALLEGIANCE**

Everyone stood for the Pledge of Allegiance.

## **APPROVAL OF MINUTES**

Mr. Haste: We have the January 26, 2005 Legislative Meeting minutes, the February 2, 2005 Salary Board and the February 2, 2005 Workshop Meeting minutes.

**Mr. Hartwick made the motion to approve the January 26, 2005 Legislative Meeting minutes, the February 2, 2005 Salary Board and the February 2, 2005 Workshop Meeting minutes. Mr. DiFrancesco seconded the motion. All were in favor. Motion carries.**

## **EXECUTIVE SESSIONS HELD BETWEEN MEETINGS**

Mr. Saylor: Commissioners, there were no Executive Sessions held between meetings.

## **PUBLIC PARTICIPATION**

Mr. Haste: We are at the point in time for public participation, is there anyone in the audience that would like to address the Board at this time?

Mr. Epstein: Would you like me to address now or prior to the TMI Valuation piece?

Mr. Haste: Now would be the appropriate time.

While we are waiting for Eric, Marie it is good to see you back in the saddle. Your stand-in did okay but not nearly as good of a job as you would do.

Mr. Epstein: I need to report that this morning Mr. Dick and I bonded. I believe he will be endorsing me for Senate next time. Is that correct Bob?

Mr. Dick: No comment.

Mr. Epstein: I'll take that as a positive development. Bill, it has been a long time. I think the last time was when you arrested me at TMI.

Mr. Tully: I think we may have seen each other a few times in between there.

Mr. Epstein: I was acquitted. I am going to be brief. I sent you all comments of our valuation and you should have a copy here as well as I had a courier hand deliver it to you folks on Sunday. (To Commissioner Haste) I met somebody at your house who was an Eagles fan.

Mr. Haste: That would be everybody in the house.

Mr. Epstein: I didn't want to be presumptuous. At any rate, the last time we spoke the Eagles were on their way to the Superbowl, the results are not what either one of us had wanted, but it probably had nothing to do with the property valuation of the stadium.

I would like to briefly capsule what we were able to find out and also to draw our attention to the fact that there is a power plant valuation case before Commonwealth Court right now out in the western part of the state. It is Greene County versus Allegheny Energy Supply. It has some analogous footprints to our case and they expect a decision on that in 60 days. I would hope that perhaps we could postpone the decision on this case until that case is tried.

Briefly what I did is we spent a couple weeks researching the value of TMI Unit-1 and TMI Unit-2 assuming that we wouldn't use the income approach but the cost approach. What I indicated, if you had an opportunity to look at this document, is we found a lot of assets that were not accounted for assuming that we use the cost approach. What I did is I went through that and these include security upgrades, replacement of the reactor vessel head, pending replacement of the steam generator to change out 100 million in capital expenditures during the 2001 refueling. In addition to that, I think you guys have a very good case to make for the value of both units as a nuclear waste storage facility. If you note in my footnotes Exelon settled with the Department of Energy last year for \$80 million and they are getting paid now to house waste at TMI and other nuclear generating stations. What I am telling you is that even if both plants were shut down today they have value. They have value to not only store nuclear waste, but they have value by the fact that there is upwards of \$400 million in the TMI-2 decommissioning fund and upwards of \$300 million in the TMI-1 decommissioning fund. Which essentially means, according to regulations, when these plants shut down they have to be restored to greenfield and could be converted to another energy source. Essentially I was able to capture several billion dollars in resources that are there that were not captured. The legal analysis based on the data I have, is you have \$340 million right now in the TMI-1 decommissioning fund and you have close to \$420 million in the TMI-2 decommissioning fund. Just to stay on TMI-2 for just a second. I don't really want to belabor this point, but TMI-2 and TMI-1 are related. I guess one of the troubling things that I saw was that this document, what you have is a settlement from First Energy and for Exelon, and what is disheartening for me is that, I am not sure you are aware of this; TMI-2 cannot be cleaned up until Unit 1 comes offline.

TMI-2 has just been de-fueled. That's why there's so much money in the decommissioning fund. When TMI-2 was purchased it had a possession only license. Essentially we are in limbo and my concern is your agreement goes through 2008-2009. TMI-1 could be re-licensed on the reracking spent fuel which looks like they're going to do that. They could do a steam generator change out. I'd like to see in some part of this settlement that you are able to capture those costs. I'd like you to be able to disengage TMI-1 from TMI-2. They are two totally separate companies. Frankly what I would like to see and what was in my recommendation that at the very least we get the same deal

that the people in Limerick got. I don't know if you saw it but I put in an analysis between what they got and what we got. It is a substantial difference. I don't think what I am asking for is unreasonable. I don't know what your relationship is with Exelon and First Energy, but I would hope at some point perhaps we could delay a vote and maybe even renegotiate a better deal. I also understand that it has probably been represented to you that this is the best of the worst deals out there. Compared to what's happened at Brunner Island, Hershey Foods, etc. At any rate, I have the information for you. I appreciate the fact that you gave me the opportunity to do the research. I would have liked to talk to you sooner but sometimes it doesn't work out that way. I would be more than happy to answer any questions or concerns you might have.

Mr. Haste: I guess we will deal with whatever item it is.

Mr. Epstein: I will stay here if you want to discuss it further when it comes up for a vote.

Mr. Haste: While we're at it, let's just discuss it now and then we will vote on it at the time. Bill can you, before we get into the back and forth, can you go over your recommendation to us? One of the things I want to mention is Eric raised the very issue that I raised this morning about storage. Do you want to give me the explanation you gave on the whole storage issue? Do you remember that?

Mr. Tully: There are two kinds of storage. One is the short-term storage and then the long-term. My understanding is that because TMI is basically in a river basin intricately tied into the water tables it is not a suitable location for long-term storage. Essentially it is short-term for the life of the reactors. The intended plan was that it was all supposed to be trained out to some place where they would be in a dry cavern where they would be stored until eternity. Now of course there's not a lot of cooperation in the west to receive a lot of that nuclear waste so a lot of things are up in the air. The real problem is trying to predict with any kind of certainty what the future holds for these facilities or the similar facilities in the region. The real problem that we have here is the issue of time. I think I put it in the memorandum that I have a great deal of respect for Mr. Epstein and his cause and his sincerity to it. The real problem was he came forward at a time when we're on the verge of trial and two out of the three party's to this action, essentially the school board and the township, have already approved, got their deal and basically have expressed no interest in reopening it based upon Mr. Epstein's proposals. As a matter of fact, if we went forward they were going to execute their torque fuser releases and send us out on our own. We didn't have the option of pooling resources or anything else. If we went here we are essentially on our own. We would basically take the full bill unto ourselves.

The real issue becomes one, are we in a position to even bring in some of the proposals that Eric has pointed out like securing new counsel? I don't know of any counsel that would want to come in at a two week schedule and prepare a case for trial. The real problem is that the train has already pulled out of the station and had built up its' momentum at the time that these other approaches were taken.

The other part was a thorough review of the case law at this particular point. Eric is correct there is a Commonwealth Court opinion pending. However, we anticipate that opinion will be similar to the other ones that basically feel that they are bound by the Supreme Court decision. Although not a nuclear facility but basically dealing with how you evaluate real estate values, as opposed to economic values that are determined by human intellect and acumen and things like that which the Supreme Court said cannot be tied to the property, that's tied to business and that's tax pursuant to income taxes and things like that. The real property has to be those things that are intrinsically to the value of the reactor. The real problem is if you look at that, what are the uses? I mean, let's face it about the only thing you really have down the road is some other means of generating electricity because as long as there is nuclear spent fuel and waste stored on location there aren't too many other uses for the property. Not too many people want to hang around radioactive stock piles, let alone build a resort area on top of it. There are really few things there. A lot of what is left is speculation. We're forced to look at it with what the current status of the law is and what the Supreme Court has articulated. We took a beating on the county level on Hershey Park where we were trying to tie it based upon the value of the rides and things that are on that location and the income that they are able to generate as a result. We were basically slapped down again based upon that Supreme Court decision that it is essentially the real estate, that's what you tax, not the things that are on it. It depends upon a lot of other factors in determining the income. It is based upon that limited window or time frame that we say that we are not in a position to take these options at this point. That doesn't mean that if there is another reassessment that would come in at some other point down the road that those issues can't be revisited. As a matter of fact, if they are I would certainly urge the Board to call upon Eric and his expertise to participate at a time when indeed we could call a meeting as he proposes. At this point we don't have the liberty of calling a party to a meeting when we are about to go into litigation and they are represented by counsel. I would predict that they wouldn't even entertain such a thing at this point. They are going to play hardball and say we're ready to go to court, let's go to court. A lot of the options that we'd like to explore just simply aren't practical at this point.

That is the basis of the recommendation that I stand by. The recommendation is also supported by Mr. Wass and Ira Wise, who is an accomplished attorney who has litigated nuclear power plant tax appeals in Allegheny County. They also feel that this is the best that was available to us at this point and under the current status of the law. That is the basis for our recommendation.

Mr. Epstein: Let me just take a moment to respond. With all do respect I do not hold the same vantage point about Ira Wise. He settled I thought prematurely out west and in Susquehanna. I know he has expertise but there are other people that I think are more accomplished. Just to respond and I won't carry this on for a while. I think that there is tremendous value at TMI. I mean, try building a large generating facility anywhere. The facilities are in place, you have access to water and the transmission grid is there. TMI by law has to be restored to greenfield when it is decommissioned. It certainly will be restored to greenfield and it will be converted to another energy source. I have no doubt of that but I don't want to speculate. I think there is a risk and reward formula. Nobody

would say that river that empties into the Chesapeake Bay is an adequate site for a nuclear waste facility. However there are 730 metric tons there. No one has a gun to TMI's head and said generate 30 metric tons a year. There's a risk and reward formula. We should be rewarded for hosting a radioactive waste site. You are right. The waste is supposed to go somewhere else, but there's no where else for it to go. There's no repository. It's waste without an address. There is a great possibility that we will be storing the waste at TMI-2 forever. TMI-2 by the way is a high level radioactive waste site. I don't disagree with the legal analysis. I've been available for 6 years I've been working on this issue that Londonderry and Lower Dauphin chose not to use my services. I applaud you for stepping forward. It may be late in the game. I would also remind folks that we are in the middle of a \$13.1 billion merger between PSEG and Exelon. Although they can play hardball and I'm perfectly willing to say on the record we could also. Again, I don't know what your stomach is for that kind of litigation. I think I've captured value that was not captured in the assessment. I'm almost conceding the case law to Mr. Tully. In fact, I am conceding the cost approach. What I am not willing to concede is the fact that we failed to capture a lot of value at TMI-1 and TMI-2. There are several billion dollars that have not been captured. All I am asking you to do is go back and ask these guys why didn't you account for the reactor vessel? Are you going to put new steam generator tubes on? The \$100 million dollars in capital investments you did in 2001, did that really depreciate by \$82 million in four years? I think these are reasonable questions. Why did the people at Limerick get a better deal than we did?

I can even agree with you on case law. I can agree with you on precedent. What I can't agree with is that the facts on the ground do not add up to the value that Exelon and First Energy have computed. I think those are reasonable concerns. I understand it is late in the game Bill. I don't think there is anything wrong with calling them up. I have the direct line to Exelon's general counsel in Philadelphia. Go give him a call. Are you willing to introduce it? Can anybody answer that? Why are we getting less than the people at Limerick at the school district level, at the county level, at the township level? Why are we getting drilled like this?

Mr. Tully: When was Limerick's settlement finalized?

Mr. Epstein: It hasn't been. Early February it was proposed. It hasn't been voted on. The same timeline as ours.

Mr. Tully: When are they scheduled for court?

Mr. Epstein: I don't know, this month I would presume. About the same time as you.

Mr. Tully: But they haven't gone through their series of using up their continuances to get to that particular point?

Mr. Epstein: All I am saying to you is that they are essentially at the same point that we are. I don't know how many continuances they have. If I were them I would take the settlement they got. Compared to what we are getting it is much more generous. I think

these settlements bump up against other subsidies. Based on what the school district is going to get they're not going to be eligible for as much PDE monies. I don't know if there is a way out of this quandary and I understand that you have a fiduciary obligation to the taxpayers of the county. You don't want to run up money in a litigation that may go good, but at the end you'll get even less results. I don't think there is anything wrong with asking these questions Bill. If I am willing to concede to you case law and precedent I think the facts on the ground point that this plant is worth a lot more than what's on the paper. In terms of nuclear waste, Yucca Mountain at the earliest would be available 2020. There's not going to be a radioactive nuclear waste site. It's a shell game. Everybody in the industry knows that.

On top of that I don't know if you noticed this. At TMI, since it was built early, the way you dispose of waste is not based on where you're located but based on your queue. The Department of Energy gives you a queue. It's like if you are at a bakery. Of course, TMI was built in 1974. We are early in the line. Should a site be built we could ship it there. Exelon has the ability to sell that and put us back on the lot. There are a lot of unanswered questions. There was a lot of value that wasn't captured.

Mr. Haste: They can sell their spot on the line?

Mr. Epstein: Absolutely. I lost in Federal Court two years ago on that case. Fortunately I didn't go up against Bill or he might have settled. There is a lot of value there. For instance, if there's another plant that comes up that is younger and has a later site but had to be prematurely shut down, they could sell or we could exchange spots. I outlined that in the report as well. I think you guys are in a conundrum and I think based on what Bill is saying it is a precedent issue and a timing issue. Perhaps, I don't even know if you are taking, I didn't hear you criticize any of my subsequent findings based on value.

Mr. DiFrancesco: The question I have is where does this settlement leave us in terms of any further potential reassessments?

Mr. Tully: The structure of the settlement and again there's two waves to it. There's a five year formula in that for that five years we have that period to pay back where the over payment was without interest for that period of time. Essentially it's that five year limit that we have. Essentially a reassessment after or even prior to that would leave our options open that when that five year payment is all square and we are back at zero then we would have the option of pursuing that. Nothing prevents us from exploring those questions raised by Mr. Epstein. I think they are valid technological questions. Answers may evolve so that at the end of that five year period we could certainly renegotiate where that should basically be. If not, we would be in a position to litigate it and will actually have the answers.

Mr. Haste: Meaning in 2010?

Mr. Tully: Correct.

Mr. Haste: So if we did a reassessment prior to that we're stuck with the settlement?

Mr. Tully: No. We would still be able to do the reassessment, but we would not be able to implement that until the settlement was reserved. Then at that point we would have the ability to go forward with what we know at that point. My recommendation would be to have Mr. Epstein and the organization he has to be involved with us to utilize that expertise as we go forward. The real problem is trying to get that in the door at this point. It just is not practically available with the status of our case at this point. This trial date or series of trial dates, basically an 8 day anticipated trial that was lined up had been moved off on now a third occasion and there is an order basically by Judge Bratton saying that he would not entertain any further continuances, but for extraordinary circumstances. I don't believe from my conversation with his staff that he is considering ongoing negotiations as a basis for that. He feels the time for negotiations has passed and it's time to litigate. That is the gun that we are under to be able to do what is proposed within that time frame I think is inhumanly impossible. That's the frustration.

Mr. Haste: Bill, what's the risk if we litigate?

Mr. Tully: If we litigate and lose looking at the Lancaster case which was one where they came out way below what we've negotiated in this particular case.

Mr. Epstein: Which Lancaster case? Was it Safe Harbor or Penn Manor?

Mr. Tully: I think it may be Safe Harbor. That was the one that came in Carl's memorandum that came out right before I supplemented with that. The percentages came down much lower. The risk would be anything below what we have negotiated would be increasing not only what we wouldn't get in the future but we would actually increase our payback. More importantly we wouldn't have the option of paying it back over a period of time. We would have to pay it back immediately and we would be owing interest from the date of the appeal. So it's essentially paying a lot more and as a matter of fact, I think, would have a devastating effect in any one calendar year for the county to have to pay back the full amount out of that. It would certainly put a lot of pressure on us to stay within other budgetary limitations.

Mr. Haste: What was that amount again?

Mr. Tully: Right now we're looking at about \$250,000. That would be in past taxes due. Londonderry had about \$50,000 and they worked out a deal because of their fire protection thing that takes the sting out of it for them and that's why they don't want to participate. The school district, Lower Dauphin, basically had a \$750,000 figure, which that's why they needed that 5 year period so they didn't go belly up themselves. The real problem would be we could easily double our exposure from \$250,000 to \$500,000 and that would have to be paid at one time plus interest. That's really where the concern is. It is that risk without the ability to articulate that we are going to be able to improve our position in that limited time frame. Plus we would be carrying the full expense

ourselves. We would have to pay the full expense of our experts and testimony. If we would be able to get expert counsel to participate in short order those expenses would be on top of it as well. That's what I mean by we just don't have that practical ability. It is frustrating because it would have been nice to have those things incorporated but in due deference the litigation was led by Lower Dauphin School District. They were the people with the greatest amount of dollars on the table. They had Mr. Weiss who was lead counsel and they pretty much called the shots and we were in a support capacity throughout that. Now that we are out there by ourselves we're forced to pretty much invent the wheel at the last minute and it's kind of I think a very risky, if not dangerous, position to take from a legal perspective. I understand the philosophical approaches to it. I am versed in the legal aspects not the philosophical.

Mr. Epstein: Let me just respond real quickly. I don't want to belabor the point. If this counsel is as good as they said they were, and I do take issue with some of the expert counsel that was used not by you but by the other parties. They would have found some of this value, but they took a generic approach. Secondly, if you are referring to the Penn Manor case there's good legal precedence there because they threw out the cost approach. I wouldn't come forward and ask you to take this path. I agree that this is risky. This is the best of the worst deals out there, but it is not a fair deal. Clearly, PPL didn't pay taxes for two years at Brunner Island. That was worse. At some point somebody has to stand up to them. I don't want to gamble with your money, but at the same time this is what I do. I think at some point somebody has to draw the line. I would walk away today if somebody could answer me why we are not getting what the people at Limerick got. Everything aside if you could tell me why, I would take that same deal in a minute. In fact that question burns me more than anything else.

Mr. Saylor: May I ask a question Eric? I grew up in Lower Pottsgrove and from my bedroom window I could see the towers at Limerick. I note in your report that you source the Pottstown Mercury.

Mr. Epstein: Right.

Mr. Saylor: It's always questionable when you source newspapers but...

Mr. Epstein: Wait a minute the Patriot shared and the Press and Journal I always love to quote those guys.

Mr. Saylor: I'm wondering if you are referencing them a lot. I'm trying to read from both areas and I don't see how you are comparing the two. In Montgomery County with property values, Limerick sits on what used to be farm land and it's nothing but housing developments there. TMI sits on an island underneath the flight terminals for the international airport. It is the site of a world disaster. I'm just wondering where you compare them.

Mr. Epstein: Good. Five points and I'll knock it out real quickly for you. First of all, TMI has more value than Limerick because if you remember Limerick had to sue to get

water from Point Pleasant. Limerick doesn't have enough water to operate on its own. TMI has a source that basically is free and exhaustible. So there is more value.

Secondly, the reason I use the newspapers is I didn't want to broach anybody's confidentiality. That is why if you look at it through this, I usually don't in a legal document, use the newspapers but I wanted to take great care not to broach anybody's confidentiality. Exelon has not disputed those figures.

It also cost \$6 billion to build Limerick. The property assessment came in at \$922. Exelon said it was worth zero.

They are playing the same games here that they played at Dauphin, which they played at Peach Bottom. Peach Bottom came in at \$303 million by the county. Exelon says it is worth \$10. You have those kinds of games that I think occur.

The fourth point I would make is I think they had better litigators at Limerick. I think they did a much more aggressive job. They were on the ball and negotiated. Some of those folks were also involved in a prior merger settlement.

The fifth thing is there is a difference on the nuclear waste issue that I raised. There are two units at Limerick and it is valued at \$922 million. If you account for the real estate law the value would be \$160 million or \$80 million for each reactor. We are coming in with \$18.5. That's a big difference. We have had much more recent capital expenditures. We have had \$100 million in capital expenditures in 2001, a new reactor vessel worth \$18 million, new steam generators that are going to be anywhere from \$68 to \$138. All of your questions are good. Those were questions I would have asked also, but I still think TMI's location and the amount of waste we have on site makes it a unique facility. I don't know if that addresses your question.

Mr. Saylor: It shows you have a little bit more than just a newspaper source. But I still think you are getting caught up in that and I really think it is apples to oranges in a lot of ways.

Mr. Epstein: Why?

Mr. Saylor: Having lived there I can tell you. Just in general the price and value of property. One sits on farmland the other sits in the middle of a river, which with the water source I don't understand. I don't want to take up any more time, but having lived there I...

Mr. Epstein: Right now Limerick has a contract with the coal region to ship water in. They don't have enough water. I don't know what you don't understand without water you can't operate a nuclear power plant. They don't have enough water. Right now they are contracting with Schuylkill County to import water. We have an inexhaustible amount of water. If that weren't the case we wouldn't have across from TMI, Brunner Island. We wouldn't have Safe Harbor Dam. We wouldn't have had a potential ethanol

plant. There are a lot of other things that need to go on today I'm sure and we could belabor the point. Bill, I think your points are cogent and correct and if I were in your place I'd be making the same argument. I'm not and that's a shame maybe we can switch places. Hopefully you guys, if you decide to vote against my proposal, will all be re-elected and back here in 2008 and 2009.

Mr. Haste: One more question Bill. What is our drop dead date on responding to this?

Mr. Tully: About 2 weeks ago. What had basically happened is Carl went in and basically begged the Court to give enough latitude so that you would be able to do a vote today. I can't make any representations beyond that.

Mr. Haste: What would be the down side if we didn't vote today?

Mr. Tully: It would force us into litigation mode. In all candor, it kind of dovetails with one of the questions, why is Limerick different? Limerick is PPL. I think....

Mr. Epstein: No, no, no, it's the same company. Limerick is Exelon. PPL is Susquehanna 1 and 2. Bill trust me, this is what I do all day.

Mr. Tully: I thought Limerick was PPL. If it was a different company PPL has always been much more responsive to local pressures and things along those lines. I don't really see that necessarily with this giant corporation. They are just not interested in addressing those local concerns.

Mr. Epstein: I agree with that.

Mr. Tully: We just have someone who is playing hardball with us. That is kind of where we are. From a legal perspective I really would recommend not dragging this any further because I can't predict where the court is going to go with it from that point. We're probably not in a position to go forward in that timetable.

Mr. Hartwick: Just a few comments. The first one is you know passionately about my experience with Bethlehem Steel and how that has jaded my philosophical opinion of big companies. I just wanted to say one thing before I actually ask one or two questions. First one is that I think the Chair and the Board has offered you a great amount of latitude and ability to present before the Board, including present information. I think making a comment like I hope your all here in 2008-2009 basing a decision we make here and explore all of those opportunities as a basis for re-election is extremely unfair and I think not necessary in the....

Mr. Epstein: No, I hope you are here in 2008-2009. I'm not being disingenuous. I hope you are here.

Mr. Hartwick: I sort of took that as, hey vote for this settlement and.....

Mr. Epstein: No, no, no, no that's childish, I wouldn't do that.

Mr. Hartwick: Ultimately we want to make sure that we do the right thing. This Board has continuously sat here and explored all options and as a matter of fact painstakingly so after having many philosophical discussions with Bill Tully in the hallway and passionately screaming and yelling saying that I will not change my position on this. I will not change my position because this is what I vehemently believe in and I know one community should not be beholden to a company. This entire system of valuating property I believe we need to take a stand. I think it is unfair to communities and think it asks for-profit companies to balance the books and to be able to continue to increase their private margins on the backs of tax-paying residents of those municipalities. I am absolutely 100% opposed to companies coming in and using what I think are not substantiated arguments based upon real investment into the company. Real investment back into the facility then use taxpayer subsidy by reducing their property value by further increasing their margins. I'm completely opposed philosophically to this opinion. I believe I would have to agree with you that based upon current case law we don't have very good standing. I think the determination is when do you stop and when do you stand up and fight? What are our legal positions and what are the footprints that allow us to make a solid argument? Quite frankly, based upon that we also have to make a determination on whether or not we want to expend taxpayer dollars to litigate something that may not be winnable. I believe in standing for something, but I also know that we have some financial responsibilities to the taxpayers. It's a tough issue. Philosophically I will remain opposed to this settlement but it is a very difficult issue. I just wanted to mention that I took a little bit to your statement about 2008-2009. I think this Board has weighed this issue very seriously and I think we respect your opinions and particularly your expertise in this area and I think the Board has given you great latitude in being able to present that information. It has helped me in determining my position. Although legally I don't think we have standing. Philosophically I cannot allow communities to continue to roll over at the sake of large companies who choose to use the tax and valuation and cost system to further move forward their profits.

Mr. Epstein: Understood. Let me just clarify. I was the same guy who spearheaded the opposition to Wal-Mart in Lower Paxton Township and I never threatened anybody with voter retribution. I think you guys have done a good job. I can't endorse you two because you are from a different party.

Mr. DiFrancesco: If Bob can endorse you then you can endorse us.

Mr. Epstein: Let me clarify. Actually, I do hope you are here for two very important reasons. One, I think you have done a much better job than the other set of Commissioners and I'm not ashamed to say that on the record, George.

Secondly, I think this is the type of issue that necessitates institutional memory. I would hate to start over again with another set of three. Frankly it is a tough issue. It is hard to get your arms around and I would have to agree with you. I don't think this company really cares about the community. It is Exelon, also known as Peco Energy and

AmerGen. I appreciate the latitude and flexibility. If you decide to vote against the proposal I will get up tomorrow the sun will shine and we'll keep rocking. I'm not going anywhere.

Mr. Hartwick: But philosophically you have to understand that I can't support the settlement. Legally I don't think we're in a good position to fight it.

Mr. Epstein: Look you guys are in a position with a minute to go, whether you on-sides kick or kick-off, I understand. I would have kicked-off.

Mr. DiFrancesco: One point that I do want to bring up. What you said is true you don't want to start all over again with a new Board. The bottom line is we don't know who is going to be here in 2005 and I think it is very important that we set a plan now. I'm sorry not 2005 but in 5 years from now. Excuse me.

Mr. Epstein: The jobs wearing on you?

Mr. DiFrancesco: I would suggest even to start today is for Dauphin County to reach out to the other communities. Very similar to what happened with the Comcast negotiations, a bunch of communities got together. They shared a common interest. They went out and bought a "top gun". But they shared in those costs so that when the next settlement opportunity or reassessment opportunity comes up we are sitting in a position of strength. I'll grant you these big companies don't care about us. They will spend a lot of money in support of a lot of community activities, but the bottom line is when it comes to decisions like this it isn't a good neighbor policy. They are coming in and trying to shaft the taxpayers. I would suggest that you reach out immediately to some of the other communities that have these plants and try to put some sort of legal collective together, if you will, so that when the next reassessment opportunity comes up, even if it isn't in Dauphin County, that we have somebody retained that will help all these other communities and support them. I would like you to at least begin to research that now so that when in 5 years regardless of who is here there is a game plan that is established and in place so we don't get caught in the same position we are in right now.

Mr. Tully: I would be happy to do that. Would you also suggest that we make the contact with CCAP? Not every county has a nuclear facility but based upon the Schaeffer Brewery Company, which is a Supreme Court decision, it does affect a lot of other industries. It may be something to be viewed on a larger scale. I am more than happy to do it. I don't mind fighting the battle but I think the choice of battle field and the timing is the important thing. Choice of timing and battle field probably would have been a different chapter for Colonel Custer as well. The key is, this may not be the best time to fight but I've got no aversion to picking one in the future.

Mr. Hartwick: In Steelton we were successful in taking on Bethlehem Steel. We actually gained something that was in-between with the settlement. I felt some success standing up in the past. Again, we didn't get all we wanted and it cost us some money, but we

also had the school district, the local municipality and the county joined together. The county wasn't doing it alone.

Mr. DiFrancesco: Another thing that was brought up this morning and gives me a great cause for concern is, I have to admit having lived in the Middletown area for my entire life, I feel like I should know a little bit more about how this waste will be handled in the long term. Unfortunately, this is such a technical area of knowledge and I used to trust the NRC, don't laugh too hard, but I'm not so certain that they are looking out for the best interest of the community specifically as one of their core missions as much as safety and soundness is. I'd like to know a whole lot more about how that nuclear waste is going to be handled going forward, where it's going to go and whether or not it is going to be sitting down there forever. That doesn't get talked about as much as the active reactor.

Mr. Epstein: Maybe what we could do is in the interim I'm not going anywhere and I'm not interested in assessing the county any fees for providing my expertise. Perhaps Bill and I can stay in touch so that we have periodic briefings on what's occurring at both Unit-1 and Unit-2. There's nothing that precludes you from assessing a nuclear waste tax, which has been done in other communities. It is a risk reward formula. It has been done in New England. That is something you may want to look at. There is absolutely nothing precluding you from looking at some more creative opportunities. I'm going to be here for a while. You are more than welcome to call me at any time. I don't have a life. Give me a call. Bill and I will bond. If you give me your email I can do periodic updates on what is going on technically, mechanically and legally. I think George you are right, I do appreciate the latitude you gave me today. Hopefully it was also an education in my opinion an opportunity. It is a complex industrial site. 730 metric tons of radioactive waste is a lot not to mention a basement that hasn't been entered since 1979. They aren't making widgets down there.

Commissioners: Thank you.

Mr. Haste: We will take the vote up when it comes up on the agenda. Eric, I would like to thank you for the time you have put into this and the education you have given us. When we come to the vote I will throw another curve your way but I'll wait until it is time. Is there anybody else who would like to address the Board at this time? (There were none.)

## **DEPARTMENT DIRECTORS/GUESTS**

(There were none.)

## **SALARY BOARD**

Full set of Salary Board minutes are on file in the Chief Clerk's Office.

## **PERSONNEL**

Ms. Sinner: The only changes I have are in the new hires. First of all, I ask that you pull number 19 due to the results of the criminal background check that person is not starting.

Mr. Haste: What was that number again?

Ms. Sinner: Number 19.

Mr. Hartwick: That's at Spring Creek? The Certified Nurse Aide?

Ms. Sinner: That's correct. Then I just have to either add or change start dates for number 12. The start date is March 7, 2005. That is the Director of Activity Services. Number 15, the Director of Dietary Services, the start date should be changed to March 14, 2005. Number 26, the Clerk Typist in Tax Assessment, the start date is February 24, 2005. That is it.

Mr. Haste: Any questions of Kay? Is there a motion to approve the Personnel Packet as amended?

**Mr. Hartwick made the motion to approve the amended Personnel Packet. Mr. DiFrancesco seconded the motion. All were in favor. Motion carries.**

## **PURCHASE ORDERS**

Mr. Baratucci: Commissioners there were two items that were added since last week. Both of them were approved by the oversight Commissioners. The first one is on page 9. It was some carpeting replacement out at DJ Zozo's office. From what I understand there was a leak of some sort that ruined a bunch of carpeting out there and they needed to get it replaced. It was asked that it be added to the packet and although it shows up on your report as an over budget that has been corrected. Yesterday, Mike was out when I needed to print the report and I didn't have a chance to talk to him. But he informed me this morning that the budget item was corrected.

The second item is on page 31 of the report. This is an agreement that you had approved in the past for recycling education at the elementary schools.

Mr. DiFrancesco: What page was this again?

Mr. Baratucci: Page 31. The agreement was approved but the purchase order hadn't been done. This is just the purchase order so that we can pay these people as they do their performances at the various schools. Those were the two that were added to the packet since last week. I don't know if you have any questions on either of those two or any of the other items, but everything is within budget and is there for your approval.

**Mr. DiFrancesco made the motion to approve the amended Purchase Order packet. Mr. Hartwick seconded the motion. All were in favor. Motion carries.**

Mr. DiFrancesco: I would like to make a public comment. Good job on that contract review for Spring Creek with the food purchasing. Thank you. I'm sure you all have been following the emails but the bottom line was we were promised a better deal through another vendor and the Purchasing Department said hold on, let's verify rather than just accept. They did the background research and as it turns out we would have been pulling business from a local vendor that in fact was offering us a better price. They did a great job in doing some background review and I appreciate that very much. If you could let Bob know as well.

Mr. Baratucci: Bob did a great job. I asked him to undertake that since he has been our food buyer for years out there. He actually worked at Spring Creek many moons ago before he came under me. He has done the food buying. That is exactly what happened. We met with Scott and a representative from CHR and like I said they wanted to look at a program with AllHealth, who we are currently using, but not utilizing exclusively. Although it sounded like it made sense once you actually crunched the numbers...I think food buying is kind of a unique area where things change weekly. There are specials and all sorts of stuff. The way we are doing it now, utilizing our local vendors seems to be a more effective way of doing so. Now I presented all that information to Spring Creek. I am sure they will share it with the dietary people from CHR. Of course we are open to discussions if there is anything that we missed but I think Bob did a very thorough analysis. I am comfortable with not changing at this point and sticking with the local vendors.

Mr. DiFrancesco: Surprisingly a vendor promised something that wasn't true, can you imagine that?

Mr. Baratucci: Yes it is surprising isn't it?

Mr. Hartwick: I just mentioned that to Jeff.

Mr. DiFrancesco: Thank you.

Mr. Hartwick: Good catch.

## **REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR**

Mr. Yohe: Commissioners we have two items on the agenda this morning. A couple weeks ago I had distributed the budget amendment reports for the period ending September 31, 2004. I don't know if you have any questions. You have two separate budget cycles here and any time I make adjustments to the budget that effects the bottom line change I capture that information on this report. I hope you had a chance to review it. If you have any questions I'm here.

Mr. Hartwick: Nope.

Mr. Yohe: I would ask that you entertain a motion to approve the amendments.

Mr. Haste: Is there a motion to approve the budget amendments for fiscal year 2004-2005?

**Mr. Hartwick made the motion to approve the budget amendments for FY 2004-2005. Mr. DiFrancesco seconded the motion. All were in favor. Motion carries.**

- A. Investment Report
- B. Budget Amendments for Fiscal Year 2004/2005 Budget and calendar year budget ending December 31, 2004.

Mr. Yohe: Thank you. The second item is the bi-weekly investment report.

## **Report from the Office of Budget & Finance**

- February 11, 2005 transferred \$515,076.48 to the Payables account from the County's Concentration account for checks issued that week.
- February 18, 2005 transferred \$4,300,061.27 to the Payables account and \$1,805,052.77 to the Payroll account from the County's Concentration account for checks issued that week.
- Total Term Investments – N/A
- Balance today in INVEST account \$150,812.75 rate 2.31%
- Balance today in Community Banks investment account \$6,150,170.84 rate 2.55%  
(This rate is good through 2/28/05)
- Balance today in Commerce Bank investment account \$12,300,810.72 rate 2.66%  
(This rate is good through 2/28/05)
- Balance today in Sovereign Bank investment account \$6,150,229.84 rate 2.60%  
(This rate is good through 2/28/05)

*\$10M TRAN Line-of-Credit Status at PNC: No activity to date.*

Mr. Yohe: I'll be sending a reminder out tomorrow to get out March quotes. I am not real happy that the spread isn't very great right now between INVEST and those three banks so I am going to kind of try and bump up their rates for next month. That's by far the closest it has been since we have had this arrangement working.

Finally, we have opened that \$10 million line-of-credit and to date we have not had to use it. I think the next two week period is going to be a little bit of a test because we have some large debt payments going out next week. I think if we can get through next week we probably will not have to tap into it this year.

Mr. Haste: That would be good. Thank you.

### **REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR**

Mr. Saylor: Commissioners I have only a reminder that tomorrow is our trip to the nation's capital to shake the money tree. I know we are all looking forward to that road trip. Other than that, I have nothing to report.

### **SOLICITOR'S REPORT—BILL TULLY, ESQ., SOLICITOR**

Mr. Tully: I have nothing to add. I think I used up my allotment of words earlier.

### **MATTERS REQUIRING BOARD ACTION**

Mr. Haste: Okay matters requiring board action. We have items A through GG. Are there any items that need to be pulled out separately? (There were none.)

If we could go to item O, I'd like to throw a curve at that. I almost feel like we are in between a rock and a hard spot on this. When we get those analyses in from Carl and we look at those usually they are matter of fact and you go by them and the letter of law is the letter of law. This one is actually a tough pill to swallow. When I looked at it, and actually Eric I think made a very good argument, I for the life of me the part I don't understand the most about this is how we can't be billing them for storage. Storage anywhere else is a cost, a value it's something you do. I understand your legal explanation. I understand that even though I don't agree with the courts. Although Judge Bratton is a good friend of mine if his decision were that I probably wouldn't agree with him on that either. Eric made a very good point today on the Limerick case. I understand the legal ramification we're in that's why I ask the questions I do. Is it possible though if we grant this approval that it be contingent upon asking Eric, if he is amenable to do this one favor, that is since Eric has that hotline to them that we grant the approval of this contingent upon you folks making a phone call yet today to see if there is anyway for them to amend their settlement to us? In order to match what Limerick is. Is that possible?

Mr. Tully: I would imagine it is possible. The thing is if we've approved it I'm not sure what the motivation is for their...

Mr. Haste: They don't need to know that.

Mr. Tully: Other than it's a public meeting.

Mr. Epstein: I think I may have a compromised position, if I can?

Mr. Haste: Sure.

Mr. Epstein: What I would suggest is this. I respect Bill's legal opinion. I think you are between a rock and a hard place. I think the timing issue is paramount. What we may want to do is meet off-line and see what I can do for the county in settlement negotiations outside of this. I will be frank with you, there's a \$13.1 billion merger that has to run through the Pennsylvania PUC. It has to run through the NRC. I have a lot to say, which we may want to talk about is, vote on this deal and then perhaps authorize me and Bill, if you are willing, to see if we can get a value added from the merger. I don't know if you have the time. Here's the problem. Exelon now is run out of Chicago. I do have a line to counsel which is based in Philly, but when I talk to them they have to go back to Chicago. They had made a pointed decision not to be as attentive to my calls the last couple days, which I think sends me a pretty clear message, Jeff. I don't know if that's a near way split that you are comfortable with. I don't want to jeopardize this deal but at the same time this has me in a royal too.

Mr. Haste: If I understand what you are saying we would approve the settlement and then what we would do is you would help us try to get the value of this property up to change the assessed value? Is that what I understand?

Mr. Epstein: Through other means than this.

Mr. Haste: Right.

Mr. Epstein: I don't know that we have the time to play with this right now.

Mr. Tully: I appreciate that. The real problem is I think we don't have the first proposal. If Eric is able to use his good auspices to find another means by which to offset those I am more than happy to explore them.

Mr. Epstein: I have made it quite clear that during the merger settlement that this community hasn't been treated fairly.

Mr. Haste: Right.

Mr. Epstein: And I think that should be in consideration. This is a merger that probably won't be finalized until December. I can't promise you, but what I can say to you is that I am somebody you probably don't want to deal with around a negotiating table. I am more than willing to be a tiger for the county. I can't authorize myself to do that.

Mr. Haste: And again one of the things, unfortunately I'll take part of the blame for this, is in my mind we got into this late. Normally we follow the lead of the school district. They have the most to lose in this. I'm not sure if I had been sitting in their shoes that I

would have taken the same road. I'm not sure, but I don't want to second guess someone else.

Mr. Epstein: It is tough.

Mr. Haste: This whole thing reminds me of when my grandmother used to tell me to take cod liver oil because it was good for me. It stunk going down and it didn't taste good. That's the way this deal seems. I feel like attorneys are holding my nose saying swallow.

Mr. Epstein: Lower Dauphin is in a tough spot. I think they spent in upwards of \$100,000 in legal fees. They looked across the river and saw what happened at Brunner Island where there were no monies paid for two years to Northeastern. None of the money was escrowed. I am not second guessing anybody. I think it has been an educational opportunity for all of us. All I am saying is first time shame on them. The second time is shame on us. If we have to approve it you guys will make the decision. I'll abide by it. I will respect it. I've given it my best shot and I understand where you guys have got to go. I don't think it is a dead deal. I think you can approve it if you have to. I think if you let me loose that by the end of the year we may be able to get some value. There are never any promises. I like to blitz on every down, Jeff.

Mr. Haste: I like your style. We have items A through GG, is there a motion to approve?

**Mr. DiFrancesco made the motion to approve items A through GG.**

Mr. Hartwick: We're not going to take them out and vote on them separately?

Mr. Haste: I asked. Do you want item O separate?

Mr. Hartwick: I would prefer if we would do them separately.

Mr. Haste: We will do items A through GG with O separate.

**Mr. DiFrancesco made the motion to approve items A through GG without item O. Mr. Hartwick seconded the motion. All were in favor. Motion carries.**

Mr. Haste: Is there a motion to approve item O?

**Mr. DiFrancesco made the motion to approve item O. Mr. Haste reluctantly seconded the motion. Mr. DiFrancesco and Mr. Haste were in favor. Mr. Hartwick was opposed. Motion carries.**

- A. Training Packet
- B. Adopt Resolution No. 5-2005 authorizing the allocation of \$53,100 of the FY2004 Un-programmed Fund Community Development Block Grant Program Account for the emergency repair of the Borough of Halifax

Chestnut Street Stone Bridge and roadway project.

- C. Adopt Resolution No. 6-2005 authorizing the allocation of \$10,000 of FY2004 Un-programmed Fund Community Development Block Grant Program Account for the Millersburg Borough Tanners Run cost overrun project.
- D. Reappointments to the Ag Land Preservation Board:  
(terms will expire December 31, 2007)
  - 1. Keith Oellig
  - 2. Randy Greider
- E. Appoint Skip Memmi as Alternate Representative for Commissioner Jeff Haste to the Capital Resource Conservation & Development Area Council, Inc.
- F. Adopt Resolution No. 7-2005 authorizing mileage reimbursement rate to County employees at a rate of \$.405 a mile effective January 1, 2005.
- G. Purchase of Service Agreement with Neighborhood Services of Lancaster for guardianship services at Spring Creek Rehabilitation and Health Care Center.
- H. Satisfaction Piece with Eileen Escalante for property located at 208 Herr Street, Harrisburg, PA.
- I. Maintenance Agreement between Spring Creek Rehabilitation and Health Care Center and Keeler Company for HVAC equipment.
- J. Maintenance Agreement between Spring Creek Rehabilitation and Health Care Center and Keeler Company perform chemical treatment to three boilers located at Spring Creek.
- K. Agreement between Facility Maintenance and SimplexGrinnel to monitor the Fire Alarm System at Bulk Storage.
- L. Maintenance Agreement between Spring Creek Rehabilitation and Health Care Center and SimplexGrinnel to perform preventive maintenance for the Fire Alarm Systems located in the McBride Building and Spring Creek.
- M. Maintenance/Service Agreements between the County of Dauphin and G. R. Sponaugle for the following locations: (Facility Maintenance)
  - 1. HVAC equipment located in the McBride Building/Spring Creek
  - 2. Electrical equipment located in the McBride Building/Spring Creek
  - 3. Two Generators located at Spring Creek
  - 4. to perform infrared thermograph scanning and ultrasonic inspection service for various electrical components throughout the Courthouse
- N. Adopt Resolution No 8-2005 authorizing the allocation of individual \$25,000 loans from the Small Business Loan Program to BARJ Providence LLC (Community & Economic Development):
- O. Authorizing terms of settlement of the pending tax assessment litigation involving Three Mile Island Units 1 & 2 as outlined by trial counsel.
- P. Preventive Maintenance Agreement Nos. 71398 and 71191 between Dauphin County

and G.R. Sponaugle for equipment located at various Tower Sites throughout Dauphin County (Emergency Management Agency)

- Q. Maintenance Agreement Nos. E6172, E6163 and E6220 between Dauphin County and G.R. Sponaugle for Facility Electrical Distribution Systems located at the EMA and Schaffner Youth Center Building (Emergency Management Agency).
- R. Maintenance Agreement Nos. E6221 and E6282 between Dauphin County and G.R. Sponaugle for Facility Electrical Distribution Systems located at Berry Mountain, Blue Mountain, Ellendale Mountain, Fairview Mountain and Lykens Tower Sites. (Emergency Management Agency)
- S. Maintenance Agreement No. E6283 between Dauphin County and G.R. Sponaugle for Facility Electrical Distribution Systems for Haz-Mat Generators located at 100A Pine Drive, Harrisburg (Emergency Management Agency).
- T. Call Box Maintenance Agreement between Parks & Recreation and Comarco Wireless Technologies, Inc. for call boxes located at Fort Hunter Park.
- U. Proposal/Agreement between Dauphin County and Herbert, Rowland & Grubic, to provide Professional Engineering, Surveying Services and Architectural Design Services for the new District Justice Office located at Hanover and Rolleston Streets, City of Harrisburg.
- V. Amendment to the Employee Assistant Program Agreement between Dauphin County and Mazzitti & Sullivan for the inclusion of all family members residing in the employee's household at no additional cost.
- W. Adopt Resolution No. 9-2005 authorizing an increase in the project delivery costs of the HOME Rehabilitation Program from \$3,200.00 to \$4,200.00. (Community & Economic Development)
- X. Dauphin County Materials Processing Facility Professional Engineering Services Agreement between Dauphin County Solid Waste Management & Recycling Dept. and Herbert, Rowland & Grubic.
- Y. Human Services Director's Fund Agreement Dauphin County Human Services Director's Office and the Upper Dauphin Human Service Center, Inc.
- Z. Amendment #1 to Purchase of Service Agreement between Dauphin County and Barry Metz for additional Leadership Training sessions. (Human Services Director's Office)
- AA. Adoption Assistance Agreement #2005-01.
- BB. Purchase of Service Agreement for FY04/05 between MH/MR and Lynch Homes – Montgomery County, Inc.
- CC. Amendment to FY04/05 Purchase of Service Agreements between the Children & Youth Agency and:
  - 1. Boys and Girls Club of Central Pennsylvania – Amendment #2
  - 2. Clear Vision Residential Treatment Services, Inc. – Amendment #1
  - 3. Concern Professional Services – Amendment #1
  - 4. Drug and Alcohol Rehabilitation Services – Amendment #1
  - 5. Evergreen Youth Services, Inc. – Amendment #1

6. Harmony Center, Inc. – Amendment #1
7. Holpen Village, Inc. – Amendment #1
8. Program for Female Offenders – Amendment #1
9. Pyramid Healthcare, Inc. – Amendment #1
10. United Methodist Home for Children, Residential Care, Inc. – Amendment #1
11. Youth Services Agency – Amendment #1
12. YWCA of Greater Harrisburg – Amendment #1
13. Bethany Christian Services of Central Pennsylvania – Amendment #2
14. Boys and Girls Club of Lancaster, Inc. – Amendment #1
15. Children’s Choice – Amendment #1
16. Family Service Partners – Amendment #2
17. Families United Network, Inc. – Amendment #1
18. Lourdesmont -Good Shepard Youth and Families Service – Amendment #1
19. Perseus House, Inc. – Amendment #1
20. Silver Springs/Martin Luther – Amendment #1
21. Summit Quest Academy – Amendment #1
22. Family Service Partners – Amendment #1
23. Hempfield Behavioral Health – Amendment #2
24. Vision Quest National, Ltd., Inc. – Amendment #2
25. Visiting Nurse Association of Central Pennsylvania – Amendment #2
26. Adelphoi Village – Amendment #1
27. Bethany Home, Inc. – Amendment #1
28. Catholic Charities, Diocese of Harrisburg – Amendment #1
29. ChildFirst Services, Inc. – Amendment #1
30. COBYS Family Service – Amendment #1
31. Keystone Community Resources – Amendment #1
32. Children’s Aide Society of Somerset County – Amendment #1
33. Community Action Commission – Amendment #1
34. Family Care for Children and Youth – Amendment #1
35. Friendship House – Amendment #1
36. Holy Family Social Services – Amendment #1
37. Specialized Treatment – Amendment #1
38. There’s Room in the Inn, Inc., t/d/b/a Boys Ranch Academy – Amendment #1
39. United Methodist Home for Children Emergency Shelter – Amendment #1
40. NHS Youth Services – Amendment #2
41. St. Michael’s School – Amendment #1
42. The Summit School, Inc. – Amendment #1
43. ViaQuest t/d/b/ as Seven Mountain – Amendment #1
44. Windsor Point – Amendment #1
45. Alternative Behavioral Services, d/b/a The Pines – Amendment #1
46. Bair Foundation of Pennsylvania – Amendment #1
47. Bethanna – Amendment #1
48. Bowling Brook Preparatory School, Inc. – Amendment #1
49. Community Services Group, Inc./d/b/a Chariots LLC– Amendment #1
50. Community Specialist Corporation – The Academy - Amendment #1
51. Cornell Abraxas Group, Inc. – Amendment #3
52. Diversified Treatment Alternatives – Amendment #1
53. George Junior Republic in Pennsylvania – Amendment #1
54. Glade Run Lutheran Services – Amendment #1
55. Glen Mills School – Amendment #1
56. Kidspace National Center, Inc. – Amendment #1
57. Kidspace National Center of Pennsylvania, Inc. – Amendment #1
58. Laurel Youth Services – Amendment #1
59. National Mentor – Amendment #1
60. Parents Anonymous – Amendment #2

- DD. Grant Agreement with the Pennsylvania Council on the Arts. (Human Services Director's Office)
- EE. Continuation of PCCD Subgrant #03-DS-13-14248 for the Firm Foundation through the Adult Probation Department.
- FF. Amendment to the LIHEAP contract for the Dauphin County Weatherization.
- GG. Agreement through the Human Service's Director's Office between Dauphin County and Pinnacle Health Hospitals for the Children's Resource Center.

## **FORMER BUSINESS**

There was none.

## **NEW BUSINESS**

There was none.

## **COMMISSIONERS DISCUSSIONS & ACTIONS**

Mr. Hartwick: To change the topic a little bit. Many of you may or may not be aware of what has occurred in the state budget on an issue that has been hot on the plate related to Dauphin County's finances, which is the reauthorization of our TANF dollars and how the State plans on spending the money. The Secretary of the Department of Public Welfare, Estelle Richmond stated that she would hold the counties harmless in this budget proposal but clearly as it relates to TANF she has not done so. We are in a position right now that if we do not obviously change the direction as to a memo that we received on February 10, 2005 from the Department of Public Welfare that shows based upon this years current budget a 70% reduction in TANF funding is proposed a disallowance of TANF funding for detention after December 31, 2005. We would actually take our county share of costs and would up our contribution from the county to \$4 million in that fiscal year. This is something that we vehemently oppose with actually the elimination of TANF funding completely by the year 2008, which could double the county contribution to the Children & Youth budget. This is not a position that we would certainly be advocating for. We have taken a forward approach in trying to identify this issue through the Human Service policy committee and CCAP. Again if the federal government has given a clean reauthorization of TANF, it is the state government that is trying to redistribute and define how we are supposed to spend those TANF dollars, at least in this upcoming fiscal year. We have set-up a meeting on March 10, 2005 with our regional staff and DPW to discuss this issue. We will be in contact obviously with out lobbyist. I can't stress how significant of an issue this is to the taxpayers in Dauphin County and to county governments throughout the Commonwealth of Pennsylvania. Not being able to use TANF dollars for secure detention facilities is something we talked about almost from day one. It's not like we haven't seen this coming. It's not like we haven't tried to step up on our toes and take this fight to the legislature. Right now is when we have to have all guns blazing to make sure that this issue is at the top of the discussion in the food chain for our local delegation. I don't know about you but I can't

think about an additional \$4 million shift of resources out of the County's general fund. If that does occur we in fact need to start working collectively immediately as a team to analyze how our TANF funds are being used and our prevention programs, which we know TANF almost has a 90% reimbursement with all of our prevention funds. So it is going to eliminate prevention almost all together in the county. Our detention center is going to be, obviously, footed completely through the county general fund, which is something that none of us want to encounter. We need to get together and get our best heads together to talk with the Judges if in fact this does occur in working to maximize all of our other revenue sources. This means maybe multiple uses for the Schaffner Youth Detention Center to be able to claim higher reimbursement rates for other pockets of resources. This is an issue that has come to a head at this point. We need to be made aware of it. We need to fight on our toes hard with our lobbying group and with our legislative delegation. The time has come and obviously the issue has been brought forward.

One other thing I wanted to update the Board of, I held a meeting yesterday of the Upper Dauphin Human Service Advisory Committee to discuss potential locations for a site. Again, this is something that has been driven by all the folks in the upper end. This is not a Board driven piece. We want to offer professional service that is private and give the ability for folks to seek out the services that are eligible. The Location and Image Committee yesterday made the determination that we have narrowed the sites down to two potential locations. Those locations include the Upper Dauphin YMCA, which has proposed a plan that will significantly increase their amount of county contribution and are looking largely to the county for capital costs in order to have this happen. We need to examine from our side professionally if that is going to be a worthwhile venture, particularly in light of CDBG elimination and TANF funding. We're not faced with a whole lot of options if we're talking about capital costs unless we are able to size up and secure federal or state earmarks. The second option is the Polke Foundation that is constructing a new site in downtown Millersburg. Those are the two locations that have been selected by the Location and Image Committee. All the rest of the committees have been actively involved with about 75 of the people at the meeting yesterday. Subsequently, they have developed a plan for education, outreach and things are moving along very well. I just promised the Board periodic updates and I think it is to the point now where we need to seriously consider and have discussions from our side to take a look from the cost/benefit analysis to the transportation cost, to how much it is going to cost per square foot, to talk about what other tenants we'd like to move into the facility and take a look at both of those sites and begin to try and define where the county is going to be impacted the least financially and offer the best services to the folks in the upper end.

Mr. Haste: I have a suggestion for you when you go to your TANF meeting with DPW. Maybe you can take this to the JPO's and to the courts. There is actually a secure facility in Dauphin County and if the state decides to move this way there is a place that they can look at. It is at Front and Maclay. There is iron fencing around it. The facility is not used too often. Maybe they could go there.

Mr. Hartwick: I got you. I was starting to write until I heard where the address was. I actually thought you had a good idea.

Mr. Haste: What's wrong with it?

Mr. Hartwick: I know it is good for you, I understand.

Mr. DiFrancesco: I think it is important that this Board continues to educate the public. We had several hundred activists from Dauphin County contact us when we were trying to make hard decisions in the county about our financial position. Those several hundred activists now should be educated to the fact that the State is trying to cut \$4 million in revenue that will ultimately cost the homeowners of this county again should they not change their mind. I certainly would hope that those several hundred people who took the time to contact us will turn around and contact their state leaders to say what a terrible idea this is at the wrong time. I think we need to take an active role too. The bottom line is unfortunately the public gets very confused often about how these things impact their daily lives. I believe it is important that if we are going to do our job well we need to keep them educated about what is going on so that they can get involved. The state, for far too long, has gotten away with far too much.

Mr. Hartwick: We are going in with all of our guns blazing and I'm going to be swinging hard. I haven't lost a fight yet.

## **CORRESPONDENCE**

Mr. Haste: We have correspondence on the agenda items A through H that will be handled by the staff appropriately.

- A. Notification from the Pennsylvania Department of Environmental Protection indicating a public hearing has been scheduled for Wednesday, March 16, 2005, 7:00 p.m. to present testimony and comments on a renewal application for Dauphin Meadow Landfill.
- B. Notification from Cowan Associates, Inc., on behalf of Faulkner/Ciocca Management, indicating they will be applying to DEP for a General NPDES Permit for a project located at the southeast corner of Allentown Blvd. and Hershey Road (commercial development site).
- C. Notification from Pennoni Associates, Inc., on behalf of Hershey Trust Company, indicating they will be applying to DEP for a NPDES general permit for stormwater discharge for renovations and expansion of Old Senior Hall, construction of a Parking garage, and athletic fields.
- D. Notification from the Borough of Middletown indicating a request to DEP for a permit to replace pipes damaged during the flood of September 2004.
- E. Notification from Traffic Planning and Design, Inc., indicating they intend to apply for a General NPDES permit for road improvements to S.R. 8013, (Route 81 and Bow Creek)
- F. Notification from Navarro & Wright Consulting Engineers, Inc., on behalf of Steelton

Borough, indicating they intend to apply to DEP for a General Permit for small docks & boat launching ramps and an outfall structure.

- G. Notification from Dauphin Engineering Co., on behalf of F. J. Dreams, indicating they intend to apply to DEP for a notice of intent for coverage under the General permit for discharges of storm water from construction activities in Swatara Township, Dauphin County.
- H. Notification from Marvin E. White, Jr., on behalf of Mary V. Knackstedt, indicating they intend to apply to DEP for a NPDES general permit for stormwater discharges associated with construction of multi-family residences along North Front Street, Harrisburg.

### **PUBLIC PARTICIPATION**

(There was none.)

### **ADJOURNMENT**

Mr. Haste: Just a reminder that we have Retirement Board. We will convene the Retirement Board at 11:30 am. Is there a motion to adjourn?

**Mr. DiFrancesco made the motion to adjourn. Mr. Hartwick seconded the motion. All were in favor. Motion carries.**

Transcribed by: J. Wolgemuth  
March 1, 2005

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff  
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