



## **DAUPHIN COUNTY BOARD OF COMMISSIONERS**

### **Legislative Meeting**

**Wednesday, April 21, 2004 (10:00AM)**

#### **MEMBERS PRESENT**

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

#### **STAFF PRESENT**

Diane McNaughton, Communications; Marie Rebeck, Controller; Rita Schultz, Director Domestic Relations; Steve Farina, Prothonotary; Jim Zugay, Recorder of Deeds; Jen Kocher, Communications Director; Dan Kern, Schaffner Center Director; Sharon Ludwig, Personnel; Dave Schreiber, Personnel; Bob Burns, Commissioners Office; Melanie McCaffrey, Solicitors Office; Bob Knupp, Esq., Solicitors Office; Kim Robison, Domestic Relations; Steve Howe, Tax Assessment/Tax Claims Director; Randy Baratucci, Purchasing Director; Edgar Cohen, Maintenance Director; Ed Marsico, District Attorney; Faye Fisher, Personnel Director; Mike Yohe, Budget Director; Kay Sinner, Personnel; Chad Saylor, Chief Clerk; Bill Tully, Esq., Solicitor; Garry Esworthy, Risk Manager; Julia Nace, Assistant Chief Clerk; Richie Martz, Commissioners Office; Jena Wolgemuth, Commissioners Office; Tia Wise, Personnel; Tom Guenther, IT Director; Mike Pries, Safety and Security Director; Gary Serhan, Controllers Office; Leslie Foley, DCED; Bob Dick, Treasurer.

#### **GUESTS PRESENT**

Dan Lispi; Councilwoman Linda Thompson; Christopher Markley, Esq., Pinnacle Health; Frederick Fetters, Pinnacle Health; Lou Verdelli, PFM; Dave Twaddell, Esq., Rhoads-Sinon; David Disney, Esq., McNees, Wallace and Nurick; Laura Williams, Esq., McNees, Wallace and Nurick; Jack Sherzer, Patriot News.

## 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 two sets of Minutes to approve the March 24<sup>th</sup> Legislative Meeting and the March 24<sup>th</sup> Public Hearing. Is there a motion to approve these minutes?

**Motion was made by Mr. DiFrancesco to approve the Legislative and Public Hearing Minutes from March 24, 2004. Mr. Hartwick seconded. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carried.**

### EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

(There were no Executive Sessions held.)

### PUBLIC PARTICIPATION

(There was no Public Participation.)

### DEPARTMENT DIRECTORS/GUESTS

#### DISCUSSION OF A RESOLUTION APPROVING THE FINANCING OF CERTAIN PINNACLE HEALTH SYSTEM HEALTH CARE FACILITIES LOCATED IN DAUPHIN COUNTY

**Christopher Markley, Esq., Senior Vice President, Pinnacle Health Community & Governmental Relations; Frederick G. Feters, Senior Vice President & Chief Financial Officer, Pinnacle Health System; David Disney, Esq. and Laura Williams, Esq. from McNeese, Wallace and Nurick.**

Mr. Markley: Thank you very much for putting us on the agenda this morning to provide you with some background. I am Chris Markley from Pinnacle Health Systems and with me is Fred Fetters the Senior VP Chief Financial Officer from Pinnacle. We are currently working with the Dauphin County General Authority to finalize preparation for issuing \$55 million dollars in Health System Revenue Bonds and those will be issued for two major projects that Pinnacle is undertaking. One is the development of a new rehabilitation hospital at Community General Osteopathic Hospital on land that we have adjacent to the hospital. It will attach to the hospital and be integrated to the programs that exist there. We were developing more neurology and orthopedic services and we will have a 56-bed rehabilitation hospital that we will build to help support those services that we're developing. The creation of that hospital and the use of space within Community General will provide the hiring of 30-35 new jobs that will be created in connection with the development of the rehabilitation hospital. The second big project is going to take place right downtown, approximately 1 block from here, at the corner of 2<sup>nd</sup> and Chestnut where we're going to be building. Currently, there is a parking lot that supports our emergency room. We are going to continue to have parking there on the first level but we are going to build a facility on the 2<sup>nd</sup> level that will be a laboratory facility that will house all of the lab services for Pinnacle Health. It's a 40,000 sq. ft. single floor at this point. We are building it so that it will be able to sustain additional floors if we want to expand and put other facilities on top of it. Initially it will be 40,000 sq. ft. built at the 2<sup>nd</sup> level because it will hook directly into our operating rooms and it will facilitate being able to take samples from the operating room right into the lab.

Mr. Fetters: Both are roughly \$15 million a piece.

Mr. Markley: \$15 million each for the rehab hospital and the lab. The remaining money will be used to replace capital that we will be purchasing in connection with other projects or that we have purchased over the past year. We have our TEFRA hearing scheduled with the General Authority next Wednesday morning, April 28<sup>th</sup>, at their regular meeting at 8AM. Then we will return to this group for action on health and welfare resolutions that will acknowledge the benefit of this project to Dauphin County. We have provided samples of those resolutions to each of the Commissioners. So I think other than that, we are here to answers your questions or provide any thing else we can.

Mr. Haste: Thank you. On Monday I had received a call and asked about the TEFRA hearing, so you answered my question. I wasn't sure if we were supposed to have a TEFRA hearing or if this was just for our information.

Mr. Markley: This is for your information.

Mr. Haste: You will be holding the TEFRA hearing at the General Authority Meeting next week?

Mr. Markley: Yes, at 8AM.

Mr. Hartwick: Good morning Chris. How long has this project been in the works?

Mr. Markley: At least a year. When we consolidated services with Harrisburg Hospital and Polyclinic, the lab was one of the consolidations that never took place because there wasn't easily identifiable space to house the 40,000 sq. ft. So we've been trying to wrestle with how we are going to deal with that space. I think we've been looking at this, at least for planning purposes, for at least a year on that project.

Mr. Hartwick: And these are going to be variable rate, general obligation bonds or are they going to be revenue bonds?

Mr. Markley: They are revenue bonds.

Mr. Hartwick: Okay.

Mr. Markley: They are revenue bonds issued by the General Authority with no liability. It is strictly payable out of the revenues of the hospital. No liability to the County.

Mr. Fetters: They will be insured, right?

Mr. Markley: They are insured.

Mr. Hartwick: Only to the bondholders, there's liability.

Mr. Markley: Really to the bond insurer. They will be insured by FSA.

Mr. Hartwick: Thank you.

**ADOPT ORDINANCE #4-2004 – RESTRUCTURING THE 2004 DEBT IN AN  
AGGREGATE PRINCIPAL AMOUNT OF \$40,395,000**

**Lou Verdelli, PFM; David Twaddell, Esq., Rhoads-Sinon**

Mr. Verdelli: Good morning Commissioners. A few months ago you asked the financing team to develop several strategies for restructuring the County's debt over the next several years. In order to provide debt service relief over the next few budgets. We've been working diligently on that task over the last two months. Rhoads-Sinon as bond council, RBC as underwriter and our firm (PFM) as you financial advisors, to come up with a strategy. We reported back to you a few weeks ago that we had come to a plan that your administration was comfortable with and thought was appropriate. We presented that to you and two weeks ago you authorized the team to implement all of the documents, price all of the bonds, get all of the fee quotes in. Today we have for you the final package back for your consideration with the interest rates that were locked in the market on Monday and so I'd like to take you through this handout. There are a great deal of numbers that go with this. We won't spend time on all of the pages but I think it is appropriate that you at least understand which bond issues are being effected by the restructuring and you can see what the new three bond issues look like that accomplish the restructuring. In the handout, the first four pages are the most

recent update of your credit rating report from Standard & Poors. Everything there is pretty much the same as what was reported two months ago when you did the prior bond issue. There are no changes there to the County's credit rating.

On page two is an interest rate chart. Up at the top, again just as a reminder of where we are based upon historical standards, you can see interest rates there for the last 34 years and see that we are still near the lows that we hit last summer and just recently we've seen rates start to creep back up. That is apparent when you look at the bottom part of page two where rates, specifically over the past two to three weeks, have started to move higher. This is an index of thirty-year bonds across the country. The Pennsylvania market in the length of bonds that you are issuing did not move up nearly as much as this index has. But it is basically due to the economic reports that have come out over the past few weeks indicating that the economy seems to be gaining some footing and that higher interest rates may be on the horizon. That was echoed by Federal Reserve Chairman Greenspan yesterday at some of his testimony in front of the Senate Banking Committee.

On page three, is probably the most important page for you to look at and understand. This is summarizing all of the mechanics of the transaction and bringing a lot of numbers all onto one page. At the top of page three under the assumptions, we'll just go through those real quickly. We're issuing \$2 million of taxable series 2004 bonds to restructure the 2003 A's. The second component is issuing \$22 million of tax-exempt bonds restructuring the 1998 bond issue and a portion of the second series of 2001. The third step is issuing \$14 million of taxable bonds to restructure the 1999 bond issue. To accomplish that in columns 4, 5 and 6 those are the new bond issues and their debt service schedules. When we do our comparison over in column 9 of what your debt service was before this transaction and what it is after, column 9 shows you the present value benefits that you'll have. There in 2005, which was one of the years we were most concerned about, you can see the reduction of \$6.5 million there and then the reductions of a little over \$1.5 million in each of those other years. Then as you go down that column you obviously see the increases there where the new debt service is coming online. If you don't like looking at all of the numbers we drew a picture for you at the bottom of page three. That chart, the numbers to focus on there, are the single black line. That is your existing debt as it is right now. If you look at the boxes that have been added in white and black the top of those boxes is what your debt service payments will be as a result of this transaction. So you can see there where the boxes are well below that line here over the next five years and then they are kind of right where the line is. Then starting in 2012 they are a little bit above what the line is and then they kick up more substantially in 2015 through 2019. That is the main point of the transaction. Just a quick walk through this so you see which issues are being effected.

Page four is the 1998 bonds that are being refunded in their entirety.

Page six is the new debt that is issued to refund those 1998's. As we go through these pages, page six, you can see the new interest rates that are shown in column 22 on the new bonds. Those are actually the coupons; the yields were much lower than that.

Page seven is the second series of 2001. This is your entire issue. We drew the line across there because everything above the lines being refunded and everything below the line is what we will be coming back next week, when we bring to you the interest rate swap resolution. That proposes to swap everything below the line from these fixed rates to a variable rate. It will be those savings that we generate by going to the variable rate that will help offset the cost of this transaction.

Everything above the line is being refunded, which is shown on page 8.

Page nine is everything that will be left that will be swapped from a fixed interest rate into a variable interest rate.

Page eleven then is the debt that refunds the 2001's. The new debt is shown. You can see it matures in years 2020-2024.

Page thirteen is the remaining bond from the 1999 issue that will be refunded in their entirety.

Page fifteen shows the new bonds that are issued in its place. Again, column 96 has the interest rates on the new bonds ranging from the 2.4% to the 5.4%.

Page sixteen for 2003 A issue that is being refunded.

Page eighteen shows the new debt that is refunding the series A of 2003.

Page nineteen is kind of the aggregate issue of all this put together. That helps to drive our chart on page one.

Page twenty shows a breakout of the different sources and uses. Again there are three separate bond issues, three series, that you will need to track in terms of accounting and we have the issuance cost broken down for each of those. The cost of the escrows that will be used to pay off the old bonds are also shown. We expect to have some money left over that will be deposited towards the first payment on these issues and be used to reduce that first payment in this year's budget. Overall, these results are better than what we had presented a few weeks ago in terms of all the numbers we were running had a higher set of issuance cost than what we actually ended up with. Your underwriter RBC did a good job, we had a pricing call in which Mike Yohe was in on first thing Monday morning when we discussed what the market was doing, what other bond issues were in the market in Pennsylvania and we set the initial interest rates. There were just a few changes to those rates Monday afternoon and by the end of the day Monday the deal was completed with the interest rates that we have shown to you. The combination of all those things has brought the cost of the restructuring down. We will be back next week to implement the swaps that are converting those three pieces of your fixed rate debt to variable with the anticipated savings of variable rates being much lower than the fixed rates on those issues. They should be sufficient to offset the cost of

the restructuring. We are still projected at, in addition to that offset, the potential for a number between \$2.5 and \$3 million of an up front cash benefit of those swaps that would be available immediately. That needs to be advertised for the meeting next week while the separate resolution, upon your passage of that, then either Wednesday afternoon or Thursday morning we'll again have Mike on the phone where we will do the placing of those swaps and we'll be locking in the exact amount of those up front payments and the final terms. We have a lot of work to do with our swap advisor, IMAGE, over the next week of preparing swap legal documents and preparing for that pricing call next week. The first step of the restructuring is the most important one, because obviously there were a lot of bonds moving around. The rates are locked in at this point, if you decide to pass this resolution. I'd be happy to answer any questions pertaining to the numbers or the transaction.

Mr. DiFrancesco: I'd like to start out with the bond-rating sheet, if I may. I realize that the bonds we are talking about here are carrying a double A rating. Can you explain what "outlook negative" means in terms of what they are looking at and why that would be a negative rating and what that means to us going forward?

Mr. Verdelli: It had been stable previous to this rating. They changed it to negative on the transaction two months ago. They really focused on the levels of the fund balance. Probably the main driver of why they changed it to negative, at the top of page 1B it says, "these factors are partly offset by" and then it has three bullet points, the weakened financial position that property tax collections that historically have been on the low end and the accumulated deficit in the County nursing home fund. They focused on those. Also, at the very bottom the final sentence of the second paragraph, it says, "continued reductions in the General Fund reserves could lead to a downward rating adjustment". That language is probably what changed the rating from stable to negative. In terms of what it means with interest rates probably had no impact because there was no change to the credit rating, it was still AA. Had there been a change, it would have been to the interest rates or the insurance premium that you pay. We still bought a bond insurance premium that allowed the bonds to have a triple A rating.

Mr. DiFrancesco: Had we been down graded at this point, what would that have meant in terms of dollars to the County? How significant is that to be downgraded in terms of cost? I'm not asking for specific numbers I'm just trying to get a feel for how big of a deal is that?

Mr. Verdelli: It is very hard to quantify because first the bond insurer will alter their premium lower bid. They charge some number of basis points times the total amount of debt that you are issuing. Maybe that number changes by four or five basis points at a different rating category and then it's just a factor of how big is the debt that you are issuing, and multiplying that change by that amount of debt. Interest rates, RBC is here, I don't know that they would say there would be a substantial change in interest rate. Maybe a few basis points.

Mr. DiFrancesco: Again, that would have impact on the cost?

Mr. Verdelli: Yeah, it would have some financial impact.

Mr. DiFrancesco: I really don't have any more questions but I do have some comments that I would like to make. I can wait until others have the opportunity to ask questions.

Mr. Hartwick: I think we've beaten this thing up and asked all of the questions prior to getting here through our public hearings. I think this is the first step in trying to put a resolution towards our debt. We need to start identifying ways to more efficiently manage County government, examine what our options are for additional revenue collection, move forward with the restructuring of healthcare and a number of other things that we are going to be proposing in order to try to lessen the impact on the taxpayers here in Dauphin County. This piece is over and now we start to concentrate on the next piece. Thank you for the due diligence. I know Rhoads-Sinon and PFM have always thoroughly looked into these issuances and I feel more comfortable, particularly with interest rates going back up, with the variable debt. At this time it may give us an opportunity to make some additional money by placing a big portion of our fixed debt into variable debt. So I think timing was pretty good as well. I'm certainly in support of this and ready to get to the next stage of the game.

Mr. Verdelli: As a follow-up to that comment, I neglected to point out what the interest rates are on each piece, which is on the very last page, page 20. The tax-exempt piece worked out to an interest rate of 4.21% that you are locking in and the taxable is at 5.17%. So really both of those numbers, especially being able to issue taxable bonds in the low fives, a year or two ago we used to talk about if you could get taxables at 6% it was a good time. Since we did have to issue a large amount of taxable bonds to accomplish what you wanted to do. Being able to lock taxable rates in at 5.17% is pretty attractive.

Mr. Haste: Mike Yohe, on your proposals that we went over on the before and after effects of this, do your after effects include the funds, the proceeds from the swap?

Mr. Yohe: Yes they do.

Mr. Haste: So it's a total package?

Mr. Yohe: Yes.

Mr. Haste: Okay. If I read that right, this has, bottom line positive effect on the budget for 2004 of \$2.7 million and next year of \$10 million.

Mr. Yohe: Next year will be an accumulated total.

Mr. Haste: Right.

Mr. Yohe: That effect is a positive impact by the end of next year.

Mr. Haste: And \$2.7 million this year?

Mr. Yohe: Yes.

Mr. Haste: Okay. That's all that I have. I too would like to thank Lou and the team for what seems like months now. Months of going through this and trying to make sure that we were being aggressive and taking advantage of the market while being cautious enough not to make a mistake. I know you folks in the profession come at that with different takes than we do at times, so it was good to get us all through that. Thank you.

Mr. Verdelli: You're welcome.

Mr. Twaddell: You do have before you the tax of a debt-incurring ordinance. It follows the same format as the County has enacted for previous debt incurrence. In general terms you are authorizing \$39,760,000 of general obligation debt in the form of a series of bonds, two series of notes, one tax exempt and one taxable as Mr. Verdelli outlined. The ordinance approves the bonds to be issued exercises your rights of redemption with respect to the obligations that are being refunded, appoints Manufacturers and Traders Trust Company as the paying agent for the new bonds, and authorizes the creation of the escrow agreements with, in this case, Manufacturers for the more recent issues. JP Morgan/Chase is currently the successor trustee for the older two issues; the escrows are established by that. The schedules that I changed for you, schedules A, B and C, set forth the purchase price for each of the issues following the initial pricing. The underwriters have reduced the underwriting discount component of the fee, which will result in some additional dollars falling to the bottom line that will be available for debt service in this current fiscal year, a modest increase of the savings there. Those schedules do detail the range of the interest rates. When you look at the yields you will see the effective cost of your funds. This ordinance has been advertised in accordance with the Local Government Unit Debt Act. A draft copy of the ordinance has been available in the office of the Chief Clerk for public inspection. Of course, if you act on the ordinance today we'll arrange for secretary of publication publishing the range of yields to the public and make the final with DCED. Our projected settlement date for all three of these issues is May 19<sup>th</sup>. I can answer any questions that you may have about the ordinance. The other thing I'd mention to you is, I have set before you and does not require any action today, a resolution. That resolution accomplishes two things. It approves an interest rate management plan, outlined at your Workshop Meeting last week. It will also contain the forms of the International Swap Dealers Association Master Agreement that will cover the interest rate swap transactions, as well as, schedule that sets for the detail with respect to this County's particular interest rate swaps that are being proposed for approval at your meeting next Wednesday. Also, you will see in the caption, actually it constitutes an amendment to the three debt issues that the swaps are being done on. That's because the swap legislation was incorporated as part of the Local Government Unit Debt Act and although the department does not approve the swap transactions you are required to file a transcript of the related documentation. Each swap must be associated with particular debt of the County. The whole concept

here is that this is an interest rate management tool. You are not out speculating in the finance market with raising funds on contracts. You have current debt obligations you want to manage that interest rate exposure in a different way. In this case we are proposing to take three fixed rate bond issues and effectively convert them to variable rate issues. As Lou mentioned last week we are not actually refunding or doing anything that the bondholders will need to be aware of. Those three debt issues will remain as they are. The amendment here is to alert DCED that you will be associating this interest management tool with each of those three issues by effectively converting your interest obligation to a variable rate obligation. Their records currently show the maximum debt service exposure on those three issues as being at the fixed rates. By virtue of this amendment, they will adjust their records so that they will be tracking the variable rate. Unless there is an objection, we will arrange for advertisement of this resolution. It actually is advertised just like a debt-incurring ordinance so that you will be in a position to act on that at your meeting next week. As Mr. Verdelli has mentioned, as you review the text of this, although it authorizes the Chair, the Clerk and the Commissioners to execute most of the documentation relating to the interest management agreements you are delegating to the Budget Director, the final authority to approve the pricing since that occurs literally by telephone, Mr. Yohe will be the one to give the final blessing on the pricing call.

Mr. Haste: Please go back, I think I misheard you. What did you say the total amount is on the principle in this issue?

Mr. Twaddell: I know Lou was, I think, rounding a little bit. The aggregate total is \$39,760,000. That is comprised of \$2,040,000 of general obligation bonds. \$22,915,000 of what are called the Series C notes, which are tax exempt, and \$14,805,000 of Series D Notes.

Mr. Haste: Okay. That is different from the number I have in front of me.

Mr. Hartwick: I think that is the draft.

Mr. Haste: So we do have the correct numbers in the final.

Mr. Twaddell: Yes, I think I set another copy underneath your file. I apologize. The packet that you would have received from Mr. Saylor would have included the draft numbers. The one I just gave you has the final numbers. We do recycle the paper.

Mr. Haste: Any other comments?

Mr. DiFrancesco: As we move forward to a vote obviously this is an issue that concerned me enough at our last meeting to vote against. I think it warrants some comments right now. What we are doing, basically, is in fact coming at a cost. One of my concerns, in fact, one of the reasons I am here today and ran for this job is because I think it is very important and we look at the big picture and the long term and not just the immediate four year cycle that is ahead of us. Quite honestly that was one of the

reasons why at the time this came to us last I said I'm not certain that this is the right thing for us to do. Because honestly, rather than incur more costs there's a side of me that says lets just go through three years of absolute pain, as our debt is higher than what we can afford. At least after three years it is done. The debt drops off a little bit and then even more as we continue to go forward. You do your cost/benefit analysis and the fact is that yes, there is a benefit in terms of giving us some breathing room up front, but there is also the cost that comes with the back end. What concerns me more is what we do as a Board moving forward into a budget year when obviously the picture is not going to be rosy. There are a lot of steps we can take to make our budget picture a little stronger than it was when we started this job. I believe this Board is committed in taking steps to reduce costs where we can. We will continue to do that. I also believe that this Board is very conscientious about managing our budget. I think what you are seeing through the swap agreement and through the whole discussion over whether or not this is a good thing to do for us or not, is the fact that we are trying to manage our portfolio in an effective way to get the ultimate outcome. Which is a stable Dauphin County from a financial perspective.

Having said that, I think what is important for us to realize is that the reviewing agencies are telling us that it is not just about financing today's county government, it is about building up the healthy reserves that allow us to do our job. It allows us to maintain our buildings, maintain the operations at the County and short of having a healthy budget picture that includes those reserves, and we end up costing the taxpayers more money. Because we then have to go out and sign a tax anticipation note and pay interest because we don't have enough reserve to get us through the dead period when taxes aren't coming in. We jeopardize our bond rating, which will cost us more money going forward should and adjustment be made. We are sitting right on the edge now where the bond agencies are looking at us and saying, you better make some hard decisions. This again is not going to be an easy year from a budget perspective, but I think that we have to keep in mind that when we go back to the taxpayers, as we have said all along throughout the time that we have been running, our responsibility is to put us back on firm financial footing. We can only do that if we build up those reserves. The fact is that we don't have them. Over the past four years they were able to hold off a tax increase. A lot of people in the public would be very happy with the fact that in the last four years there was no tax increase, based on the fact that they were able to renegotiate their debt. Move their debt around and avert a tax increase. There's a cost to that. If you aren't taking the little portions that you need when they are required, if you put them off in this type of fashion, that is what leads to the need for a 40% tax increase. That's the business as usual cycle that we need to break. That really is where my concerns lie when I voted against it the last time around. I'll be supporting this proposal today, because I think, in fact, if we're going to get back on the road to recovery we do need the breathing room that this allows us. What I don't want to see is that this in some way, because it makes our short-term budget picture look better, it's a false improvement. It's not an opportunity to put off the inevitable. The inevitable is we have to build our financial reserves back up again or we are constantly going to play this game where we're never ahead. We are always trying to catch up. That is irresponsible to the taxpayers and that is what cost the taxpayers a lot more money in the long run. I am

supportive of this. I think it does give us the breathing room that we need. It absolutely requires us to be fiscally responsible in the second half of this year when we turn to the budget picture and we turn to the taxpayers and say this is what it takes to get Dauphin County back and going again. We can't use this short-term benefit as a means not to do the right thing down the road. Long-winded explanation, but Mr. Chairman, I'll make the motion that we go ahead and approve this bond issue.

**Mr. DiFrancesco made a motion to approve the bond issue. Mr. Hartwick seconded the motion.**

Mr. Hartwick: A few points of clarification. It takes a great deal of courage to come in here and talk about changing your mind. I give Nick a great deal of credit for taking a look at the larger picture and still noting his concerns. A few things that were said regarding the past four years. There happened to be, I believe, three tax increases if you take a look at it. The first one the first year that the prior administration came in I believe they took about a 9 or 10% tax increase. There was a reassessment that occurred which also bit about 10% off. Then in year 2004 there was a 20% tax increase. So after the last four years there were three tax increases here in Dauphin County. Reassessment is something needed to realize that the full property values. There were significant tax increases unfortunately here in Dauphin County over the past four years and we need to be aware that it's not just about raising taxes, it's about controlling our spending. I completely agree with you about trying to develop those healthy fund reserves. There's no way without raising taxes significantly this year instead of worrying about the restructuring and taking care of all the other administrative things that need to be taken care of. We need to take a look at healthcare and billing. Doing what you are doing out at Spring Creek and trying to manage our costs. We've got a number of ideas that we want to bring forward but we couldn't even think about developing any healthy fund reserves without the need that debt restructuring provides. I think your absolutely right on target that we need to provide a healthy reserve fund. I will be supporting that as we move forward in the future. We need to do it by developing new sources of revenue, more effectively managing county government and trying to figure out a way to not borrow additional money without identifying revenue sources in order to pay for it. That's really what has put us in the position that we are in. I just wanted to say that for clarification. I know that we've had significant tax increases over the past several years to officially manage county government. We're looking to try and avoid such in the future. It's going to be challenging and I know we are up to the daunting task. I didn't want to make it seem like the prior Board did not raise taxes to try to balance our budget here in Dauphin County.

Mr. DiFrancesco: So noted. I guess for clarity purposes I should have said not enough. Obviously when you come into office and you have to raise taxes 40% somewhere along the line, somebody missed some red flags that said we should have done more along the way to cut expenses or....

Mr. Hartwick: I think you can't incur new debt without identifying the revenue sources available to pay for it. As we move forward we need to be conscious in order to do that and put ourselves in a better financial position to make those debt service payments.

Mr. Haste: If you read the report that PFM gave us from Standard and Poors, I think it makes it fairly clear what got us into trouble. It basically says, our expenditures greatly outpaced our revenues and the fact that the nursing home was mismanaged.

Mr. DiFrancesco and Mr. Hartwick: Right.

Mr. Haste: I think we are taking every effort we can to bring both of those into line. This, as both Nick and George said, is only a piece of what we need to do. If you notice it still says that even though we made some strides the increase in expenditures still outpace the increase in revenues. We are addressing the revenue side of it and now we also have to address the expenditure side. As Nick has continued to do, wanting to ask what services are essential and which ones aren't. If they aren't revenue-generating services, other than those that are mandated, I think we have to take a hard look at those. It does say that too, the County across the Nation stands in pretty good shape. Our burden on the taxpayers is not as great, even though I'm sure our taxpayers don't think so, it is not nearly as great as it is in most places across the Country. So that's a good thing. There are some pretty nice positives in this report, as well as the clear red flags that are out there.

Mr. DiFrancesco: Mike, I'm just curious, the budget number that you are working with right now as you look out and start to see what the future holds. Are you budgeting for reserves or are you just looking at actually costs and revenue numbers? If we say there is a \$10-12 million dollar budget deficit in 2005, does that take into account us setting any money aside for reserves? Or is that simply this is what the cost is and this is what the revenue is?

Mr. Yohe: No.

Mr. DiFrancesco: Okay, that's what I thought. So actually, we are looking at a \$10 million dollar deficit that doesn't allow us to build up reserves whatsoever.

Mr. Yohe: Before restructuring.

Mr. DiFrancesco: It doesn't account for us building up any reserves. So again it proves the point that the problem is significant and we've got a big job ahead of us to continue, as George said, to cut costs and come up with alternative sources of revenue and so forth. It's bigger than even what our predictions are right now.

Mr. Haste: To meet most standards that S&P and others would like to see an organization have in reserve, we would need to have a reserve of about \$10 million. If the projections are putting us \$10 million in the hole, we're really \$20 million in the hole if we want to improve our bond rating. Again, there comes a cost with that. We cannot

recover all of that overnight. Unfortunately, we've said this all along the road to getting back to a stable financial situation in the County is going to take a while. Some of the decisions are going to be painful but we will get there. This is just one piece of it.

Mr. DiFrancesco: If I could add one more thing. When I go back to saying how this Board is actively trying to manage a portfolio, we are actively looking at things. One of the things that came up is when we go and do this swap, it is an opportunity for us to again build a reserve account through the savings. Not only is there immediate benefit to us there is also the ongoing benefit that gives us. Again, we show good fiscal restraint and control. That's another avenue or mechanism that we can use to build those reserve accounts up. That's just another benefit to doing it.

Mr. Hartwick: One final comment. It looks like we're playing ping-pong here. I think it is appropriate now as we move to the next stage of the game. I've talked to a number of people in our business. I talked to Mr. Verdelli and it's our next stage to commission a Blue Ribbon Panel of business, community leaders, people of academia and successful folks who have run organizations in the past. I have started to reach out to those folks to get together a task force to start to review County government comprehensively. Taking a look from the top down and from the bottom up. I have great respect for our Director's, but I think we need to take an outside perspective at County government and work along side of those individuals to try to gather some serious recommendations on ways to more effectively manage and structure County government. You'll be hearing more about the next stage of recommendations, and we've got a lot of them, coming down the pike after this restructuring. Again, there are a lot of things behind this first step and we need to move on to stage two. Hopefully we will have that prepared in time for the budget hearings that are going to occur in June.

**(Mr. DiFrancesco made a motion to approve the bond issue. Mr. Hartwick seconded the motion.) Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

## **SALARY BOARD**

(Can be found in its entirety in the Chief Clerks office.)

## **PERSONNEL**

Ms. Fisher: I would like to bring it to the Boards attention that the Hiring Freeze Committee, Chad, Mike and myself, reviewed all the transactions that were presented at last weeks meeting, as well as all of the addendums that have been added ever since. I'd like to share with you quickly and briefly the justifications that we have received from the department directors on some of these transactions. I will start with the packet that was presented at last week's Workshop behind your yellow sheet. We'll start with the April 14<sup>th</sup> Workshop Agenda Vacancies listing. It was in the same packet as the two Salary Board items for Children and Youth. There is a Workshop Agenda Vacancies listing. I would like to remove the vacancy for the Prison, which is item number five.

They will resubmit this vacancy at a later date when they are ready to begin their testing for their CO's. All of the other vacancies that are listed on here with the exception of number four for Schaffner, the department Director's are simply asking for the opportunity to start the recruitment process for these vacancies. They are not actually filling the positions. I will go over Schaffner as soon as we get to the changes listing. The vacancies approved by the President Judge, I will also address as soon as we go through the rest of the packet.

Next we have the Workshop Agenda New Hires listing, April 14<sup>th</sup>, it includes two pages with 12 new hires. We checked with a representative in the Department of Aging new hire number one. This new hire is necessary for the continuation of timely delivery of the Meals on Wheels. This position is only 1% County funded and 99% funded through the Aging Block Grant.

Number two for CID. This is a high level position, the Director of CID. It has been in the works for a long time and it's crucial that this position is filled. I have Mr. Marsico here if you have any questions.

As far as number three, the committee met with Carolyn Thompson as well as Mr. Tully to talk about the filling of this position. It has been decided that we should move forward with this position for the Court Administrations office.

Number four for the DA's office. I am told that this person is responsible for assuring the appearance of victims/witnesses and law enforcement personnel for trials and hearings. The person they want to hire into this position is currently working on a volunteer basis to assist in that office. The committee has not had an opportunity to speak with Mr. Marsico as a whole, but that was the information that was provided that this is an essential position in his department. Again, if you have questions or need more justification on that he is available.

Mr. DiFrancesco: Basically, if you haven't met with the committee there is no justification yet? I assume we should get that before we move forward. Yes, if you could provide us with some details.

Mr. Marsico: This position is our Victim/Witness Coordinator within the DA's office. Our office sends out almost 3,000 subpoenas a month for Criminal Court appearances for Criminal Court week primarily. This position makes sure that all of the victims get the information that they are entitled to under the Victims Rights Act. Also, they make sure that we have witnesses showing up down at the Courthouse. Basically, they have telephone contact with every witness that receives a subpoena telling them when they have to be here, or if they have to be here. As you probably know the DA's office is responsible for much of Court Administration for Criminal Court. We prepare the court lists, the lists of trials as they progress and we need to ensure that our witnesses are here on a timely basis. When I took office in the year 2000 this position had an assistant that worked three days a week along with her and we were able to eliminate that position in the year 2000. Now it is just one position. Last year we served over 3,500

victims, over 22,000 witnesses. The position is primarily Grant funded from PCCD. We receive under the RAS agreement (Rights and Services Act) \$24,246 towards that position. The salary is \$29,556 with benefits, of course, on top of that. That position has been offered as indicated to an individual, our incumbent left there last Friday she had been there for several years. Because of the essential nature of this position when we were interviewing we told everyone that Criminal Court would convene this upcoming week that we would need them to start as soon as possible and actually asked if they could come in on a volunteer basis to assist both last week learning the job and this week as victims and witnesses need to be notified. If this position is not filled we will have an extra 20,000 people per year showing up for Criminal Court appearances. Probably every police officer in the County works very closely with this position to ensure that all of their officers are subpoenaed that have to be there. We've had vacancies in our office for several months and I can honestly say there is no more essential position in our office than this position. Without it criminal court would come to a screeching halt.

Mr. DiFrancesco: Do me a favor, one more time, go over the numbers. The form I'm looking at says 100% grant. But you said it wasn't 100% grant.

Mr. Marsico: That is incorrect. We receive, and Faye please correct me if I'm wrong, my papers showing that Personnel will receive \$24,246 this year. The salary is \$29,556. So there is a \$5,000 difference in salary plus benefits.

Ms. Fisher: Commissioner, according to the information provided by Mike Yohe yesterday to me. He was estimating that the grant will require a \$44,000 County match for 2004. So, he believes that the position is pretty much funded by the County.

Mr. Marsico: I'm not sure where those numbers come from.

Mr. Yohe: With anything that I look at, I don't know the specifics of the grant identifying the salary. The cost of the whole program is about \$40,000 more than what the State reimburses for. I don't know what portion the County is picking up. But I don't think the County is picking up the whole cost of this position. But it is identified in the grant that if we don't have that position, we probably won't get that funding either.

Mr. DiFrancesco: Our decision is very easy when it is 100% grant. It's a no-brainer. We can provide services to our constituents through grant money and that's a wonderful thing. If I'm hearing you correctly, basically you are saying that this is an essential position; the whole process slows down if it's not filled. It's a budgeted number, correct?

Mr. Marsico: Correct.

Mr. DiFrancesco: I'm satisfied.

Mr. Hartwick: What was the salary range of the individual that currently held that position?

Mr. Marsico: It was higher than the incoming salary. I'm not sure exactly what it was, I'm guessing it was at least \$3,000 to 4,000 more.

Mr. Hartwick: So there may be a net savings for the year in that position overall.

Mr. Marsico: Correct. It's a union position, so the salary is decided by the labor contract.

Mr. Hartwick: Is there an opportunity to re-up these dreaded PCCD grants that we all love that run out after three years?

Mr. Marsico: This grant is unlike most of the other PCCD grants where there are matches. This is under the Rights and Services Act. Every year Victim/Witness receives funding. The Victim/Witness program gets a fair amount of funding from them as does our office for this particular position. So this is one of the grants issued that year after year it is just continuation of services. Of course the problem is we get about the same amount of money each year from the RAS grant, while salaries are still going up. So it does impact the County more. Policy Board meets and allocates those particular funds from PCCD. We meet once or twice a year.

Mr. Hartwick: The timing of Victim/Witness week certainly does hit a cord as well. Great timing. I'm fine with it.

Ms. Fisher: The rest of the new hires in this packet are for Spring Creek. Most of them are the filling of nursing positions. We had a conversation with Commissioner DiFrancesco as well as ZA yesterday to talk about how they will comply with this hiring freeze and moving forward they will only put forth the crucial positions that need to be filled. They are also looking at positions that they could possibly eliminate at Spring Creek.

Mr. DiFrancesco: I think it is important for the Board to know there are times where I wish you guys could be present in some of the meetings we're having. Just so you could fully appreciate some of the issues. We have some real issues to deal with over there about how people are working shifts, how employees are being compensated, and how employees are being used. I don't want to harp on it because you all have been given many examples of why we had to make the necessary steps we had to make at Spring Creek. The bottom line is there continues to be some serious issues over there in terms of when we get our management team replaced there is a very strong culture that is going to have to be changed. With that, I want to let you know that things are going to be moving in the right direction. We are finally getting to the point as I mentioned maybe two meetings ago where we are starting to shift money, we are doing the valuation on vacancies and where our formal recommendations have come down from ZA now that we can eliminate vacancies. Not just hold them open but also actually

eliminate positions that are vacant. Good things continue to happen but there is a lot more work to be done.

Ms. Fisher: As far as the Workshop Agenda Changes listing again, just quickly, as Kay mentioned last week. Number one and two for Adult Probation they are simply flip-flopping positions.

Number three, the promotion for Casework Supervisor I. I spoke with Sandy Moore about this and it is a requirement that they have so many supervisors to manage a number of caseworkers, as well as caseload. In other words they need this position to be compliant otherwise we may stand to lose our license.

On page two of the changes listing I would like to remove number ten for Safety and Security. Mike Pries will hold off from promoting this individual until July.

Items eleven and twelve are two promotions for Schaffner. Chad spoke with Mr. Kern, he would like to fill the two Youth Program Specialist II positions. This will cut down on overtime and he has agreed to keep the Youth Program Specialist I positions open for a period of time.

There is one transfer in here for Spring Creek and the rest are separations from the County. Finally in this packet you should have an overtime request for the Prothonotary's office. The request was submitted at last week's workshop. We have asked Steve Farina to try and hold off on filling his Department Clerk position until July. As a result he submitted this overtime request and the Committee is recommending that the Board approve this overtime request if possible. This is just giving him the opportunity to utilize his staff for overtime purposes if needed. You have two addendums. There is one dated April 14<sup>th</sup> and the other is April 21<sup>st</sup>. The addendum for April 14<sup>th</sup>, most of these transactions have already been discussed. Most of them are for Domestic Relations and Rita has already communicated to you about the changes in her department with this new team. She gave a presentation and we created positions. I would like to call to your attention on the Workshop Agenda New Hires listing in this packet, there is a part-timer for Safety and Security, number three. I'm in the packet with the April 14<sup>th</sup> date. According to Mike Pries part-timers are needed in his area to fill in for full-time staff members who go on vacation or call off sick. He would like to move forward with this part-timer who will only be called in on an as needed basis.

Mr. Hartwick: Faye according to the April 14<sup>th</sup> addendum it still lists the Prothonotary position as one that is requesting to be filled.

Ms. Fisher: Right now we are asking for permission for the Prothonotary to be able to move forward with recruitment.

Mr. Hartwick: So we would take off Item 1 on that addendum.

Ms. Fisher: No, we're going to leave it. He's not filling the position until July. We have asked him to hold off on filling the position. The positions that are listed on the Vacancies listing are for recruitment purposes only, to be able to post the position if he needs to do that. Finally, the addendum with the April 21<sup>st</sup> date on it we have a vacancy for a part-time Deputy Coroner. We spoke with Mr. Hetrick, he would like to move forward with this part-time position. He states that he has a full-time slot that is vacant and this part-timer just goes on a part-time roster and is called in as needed, just like the Safety and Security position.

Mr. Haste: Is that accurate, he does have a vacancy full-time?

Ms. Fisher: I did not check to see if he has a vacancy.

Mr. Haste: Mr. Yohe says he does.

Ms. Fisher: That is all that I would like to bring to your attention.

Mr. Haste: Any further questions for Faye? (There were none.) Now can we entertain a motion?

**Mr. Hartwick made the motion to approve the Personnel packet as amended by Ms. Fisher and the Committee. Mr. DiFrancesco seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

Mr. Hartwick: I guess just a point, next week lets try to, in the Workshop Session, make it mandatory that they submit requests by Monday prior to the meeting. Not the day of the meeting. If anything comes after Monday we are not going to consider it and it will go into the next weeks actions. Is that appropriate?

Mr. Haste: For the most part, that is how we do it now right? Except if there is an emergency.

Ms. Fisher: Yes that is how it is supposed to be now.

Mr. Hartwick: Some of these don't seem like an emergency.

Mr. DiFrancesco: The two concerns are that people are respectful of the Committee structure. But secondly and of greater concern is the fact that when I get this form I am taking it as gospel and I want to be sure that we have a clear picture. If it says 100% grant my expectation is that it is 100% grant, no match. If that isn't the case I would like to see a true representation of what it is taking. If there is a match involved or if it is going to cost some County dollars I would like to see that. Like I said, there are often times when I look at it and if it's 100% match you're just going to say the Director wants that position and it's not going to cost the County. Unless, as George mentioned, there is some period of time where the grant money stops and we will have to pick up the cost. I think it is important when these forms come in that people put some thought into

them and make them specific to the position that they are requesting and in fact they are accurate.

Mr. Saylor: Commissioners may I just add from this point on with just a couple of exceptions, until July, we should only be considering requests to post vacancies so that they can be filled in July. We now have the Treasurer's exception and I think we also have a situation with the District Justice that the Committee is going to look at and make a recommendation. Unless an emergency comes up between now and July 14<sup>th</sup> at this point the Personnel packet should only be vacancies or possibly Spring Creek. That's the plan.

## **PURCHASE ORDERS**

Mr. Baratucci: I'll do the Purchase Orders first and then we will get into the recycling facility bid. The only addition to the packet from last week is what I mentioned last week would be on here and that is the furniture on pages 42-44. That is the large furniture purchase P.O. to cover all of the items that you had given us preliminary approval on so we could get the items ordered for the courts. It is the item that we had discussed many times and it is now on the packet. It is the only addition from last week. All of the budget issues have been taken care of between Mike and myself and the departments. The packet with the addition of one item is the same as you looked at last week. If you would like to take action on that or if you have any questions you may want to do that first.

**Mr. Hartwick made the motion to approve the Purchase Order packet as presented. Mr. DiFrancesco seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

Mr. Baratucci: I'm not sure if you all received an email that I forwarded to you this morning that just came from Andy Giorgione about the recycling facility bid. If you recall a couple weeks ago we did an initial bid for this facility. The bids all came in higher than the money that was available. We rejected all of those bids and authorized a rebid. When we did the rebid unfortunately, one of the items was an alternate bid not including the equipment. Because Kelly only had \$1.5 million to spend on this project and the bids were coming in at almost one million dollars more than that. One of the alternates on the rebid was for the bidders to separate out their costs so that we could then, if so desired, eliminate the equipment and come up with a different idea on how to get that equipment, which Dan can talk about when we get to that point. We did do a bid that way. We asked for bids on a steel structure and also a concrete structure and for the breakdown. Unfortunately the bidder that would be the low bidder goofed up. Basically a price that was supposed to be \$983,900 they listed at \$93,900. That would sound great except for the fact that is the item we need to take out of the bid in order to get down to the total we want to be at. In other words, we want to deduct that item from the bid. What we want to deduct is \$983,900 to get it down so it fits into our budget. After review by our legal person, Andy Giorgione, that's what he details in his letter here. He doesn't feel comfortable allowing the bidder to basically clarify their bid after the fact. That is what they did. They sent a letter in stating their error, they missed an eight, and it was

supposed to be \$983,900. So, in order to avoid impossible problems it was Andy's recommendation that we take another two weeks, readvertise and try to do this one more time for the general construction of this bid. The other option is to go to the next low bid which would cost us about \$30,000 more and would not really get us the type of facility that I think we are leaning towards now, which is a concrete facility. That is a little bit less money and I think it will also enhance our delivery time, which is an issue here because the money needs to be spent by a certain date. With everyone that was involved, myself, Dan Lispi, Paul Navarro, Kelly Wolf and Andy, we all met yesterday and thought that even though none of us would like to wait two more weeks and do another rebid, it seems because this bidder messed up their bid that is the best choice that we have unless we go to the second low bid. Again, Andy detailed in the letter, but I will let Dan speak to the part about the equipment and the plans there. I think that is our best option at this time. It will take us another 2 weeks to get the readvertising done but we finally should be able to get this done on May 6<sup>th</sup>. Dan did you want to add some comments?

Mr. Lispi: It is unfortunate for the schedule but the breakdown that we asked for in this bid did confirm that if we do the project right now without the equipment, had the low bidder correctly put that deduct in there that the project would have come within budget. In other words, we could have built the building without the equipment. We had discussed briefly how we would proceed to obtain the equipment and our plan is to do two things. One, is to submit a grant to DEP. There is a grant round with a deadline of June 4<sup>th</sup> of this year. We planned to come to a Workshop in May to get approval to submit a grant for the equipment. The second thing that we will do concurrently is we talked about how the facility would be operated and the fact that we wanted to do an RFP for a private operator to operate the facility. We plan to include in that RFP a requirement that the successful proposer supply the equipment to put in the building. The same equipment that we would have put in had we had the available funding and see if the equipment can be provided by the private operator. They would then obviously reduce the amount of money that it would have paid the County for rent to amortize the cost of the equipment over some period of time. We're going to plan on pursuing both of those options with your approval. There is a risk that the grant may not be approved and we might not get a proposal that is successful. I do feel confident that we will find a way to get the equipment through some combination of those or through other options.

Mr. Haste: I think that's what we should do. In a way it is their fault, but by going to the second lowest bidder it will cost ourselves \$30,000 which doesn't seem to be a wise thing to do. Again, it highlights anytime you get a contractor or engineer's numbers together I get nervous. They just don't seem to add up. I don't care which project we're talking about.

Mr. Lispi: Unfortunately it happens.

Mr. Baratucci: Unfortunately I've been here for 20 some years and have found it amazing that bidders have the ability to make mistakes like this when they know how

important it is. We, as a public entity, just cannot say okay, no problem, we'll fix it. It just doesn't allow us to do that. It causes major headaches for everybody. Like you said, we would end up suffering by having to pay more money for their mistake. I think that is the best course of action to take.

**Mr. DiFrancesco made a motion to reject the bids and readvertise. Mr. Hartwick seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

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

### **Report from the Office of Budget & Finance April 21, 2004**

- **April 9, 2004** transferred **\$164,556.20** to the **Payables** account **from the County's Concentration account** for checks issued that week.
- **April 16, 2004** transferred **\$7,933,695.75** to the **Payables** account **and \$1,929,166.23** 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 \$121,535.30 rate 0.93%**
- **Balance today in Community Banks Money Market account \$52,968,582.23 rate 2.00%**  
(This rate is good through October 2004)

### **\$15M TRAN Line-of-Credit Status at PNC:**

- Draw #1 on 2/5/04 - \$2,850,000.00
- Draw #2 on 2/19/04 - \$1,800,000.00
  - o Total \$4,650,000.00
- April 1, 2004 – TRAN was paid back with \$11,232.21 for interest expense.

Mr. Yohe: Commissioners we have had two payouts since the last meeting. April 9<sup>th</sup> was a non-payroll week, we had \$164,556.20 that we had to fund payables. This past Friday on payday we had \$7,933,695.75 for payables and \$1,929,166.23 for payroll expenses. We have no term investments today. At INVEST we have \$121,535.30 and today's rate is 0.93% on those funds. As you can see on the next one the taxes are rolling in here. We've got \$52,968,582.23 at Community Banks and that is at a rate of 2%. Much to the dismay of some of the other institutions around they confirmed that they would keep that 2% rate effective for the next 6 months with the same arrangement. That's my report.

Mr. Haste: Thank you.

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

Mr. Saylor: Commissioners I have two things. First I would like to thank Mike and Faye for their work in the hiring freeze. They not only helped implement it but they had to bring me up to speed on all types of personnel matters. We did our best with this and hopefully we can continue to monitor the hiring situation for the County. The other item I wanted to bring to your attention is a memo that I put out to each of you. Phil Fratti, as you know served as the Derry Township Tax Collector for nearly 4 decades, died in February of this year. Two weeks ago this Board approved Cora Memmi to replace him effective April 7<sup>th</sup> as Tax Collector. Our Solicitor and other interested parties have since looked at the laws governing Tax Collectors and have determined, for reasons explained in the memo that the best course of action at this point is to put Cora Memmi's effective start date as January 1<sup>st</sup>, 2005. It is my understanding that the Fratti estate, Cora Memmi, our own Solicitor and Steve Howe are all on board with this arrangement. If you have any questions we have folks on hand to answer them. I think we will need to take a vote of the Board to change the effective date.

**Mr. Hartwick made the motion to change the effective date for Cora Memmi to be appointed as tax collector to January 1<sup>st</sup>, 2005 corresponding to the 2005 tax year. Mr. DiFrancesco seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

## **SOLICITORS' REPORT**

Mr. Tully: I have no changes but am available for any questions.

## **MATTERS REQUIRING BOARD ACTION**

- A. Training Packet
- B. Approval of FY04/05 Per Diem rates between Children & Youth and:
  - 1. New Passages
    - Individual & Family Therapy \$90.00/hr
    - Family Therapy \$100.00/hr
    - Individual Therapy adm. by Psychologist \$100.00/hr
    - Family Therapy adm. by Psychologist \$110.00/hr
  - 2. National Mentor Health Care, Inc.
    - Foster Family Care \$77.00/day
    - Infant with Mother \$35.00/day
    - Pre-placement respite visit \$85.00/day
    - Transition/Step Down Program \$92.00/day
    - Respite Visit \$80.00/day
    - Emergency Respite Visit \$99.00/day
    - Community Rehabilitation Residence \$160.29/day
    - CRR-MA approved room & board \$ 14.69/day
    - W.W. Specialized Program \$100.00/day
  - 3. Bradley Center, Inc.
    - South Campus RTF (JCAHO) \$279.52/day

	North Campus RTF (JCAHO)	\$257.32/day
	Mt. Lebanon Campus RTF (JCAHO)	\$309.96/day
	Residential Treatment Center	\$163.70/day
	Therapeutic Foster Care	\$ 74.00/day
4.	SummitQuest Academy, a division of ViaQuest Behavioral Health, LLC	
	Residential Treatment Facility	\$259.49/day
5.	Glade Run Lutheran Services	
	Sail	\$147.50/day
	Sail-2 <sup>nd</sup> Step	\$ 87.75/day
	Sail-3 <sup>rd</sup> Step	\$ 68.50/day
	Residential Treatment Facility (JCAHO)	\$237.00/day
	Clothing & Personal Allowance	\$ 4.00/day
	Group Home-female (Laudenberger/Meeder)	\$173.00/day
	Daniel Group Home-male	\$144.50/day
	Shelter	\$153.00/day
	Foster Care	\$ 58.50/day
6.	CHOR Youth & Family Services, Inc.	
	Foster Care-Regular	\$ 66.35/day
	Foster Care – Mom/Baby	\$ 98.65/day
	Adolescent Treatment Center	\$207.50/day
	RTF (JCAHO) Non MA approved treatment, room & board	\$323.02/day
7.	Life Management Associates	
	Therapeutic Counseling	\$ 80.00/hr

C. Real Estate Tax Refunds/Exonerations:

1. Real Estate tax refund to First Horizon Home Loans, for parcel #62-022-086, in the amt. of \$408.37. (parcel paid in error by mortgage company)
2. Real Estate tax refund to Taylor, Bean & Whitaker Mortgage, for parcel #02-003-027, in the amt. of \$555.81. (taxes paid twice)

D. Satisfaction Piece for Jennifer M. Hutchinson for property located at 30 N. 34<sup>th</sup> Street, Harrisburg.

E. Subordination Agreement with Steven A. Coney for property located at 3101 Greenwood Street, Harrisburg.

F. Agreement between Schaffner Youth Center and Dauphin County Children & Youth Services Agency for secure detention and shelter services.

G. Employee Assistant Program Agreement between Dauphin County and Riegler, Shienvold & Associates (April 1, 2004 through June 30, 2004).

H. Memorandum of Understanding between Emergency Management and the PA State Police for the Commonwealth Law Enforcement Assistance Network (CLEAN) terminal located in the Communications Center.

I. Adopt Resolution #10-2004 adopting the Dauphin County Hazard Vulnerability Assessment and Mitigation Plan. (EMA)

- J. Agreement between Dauphin County Facility Maintenance and Performance Services, Inc., for window cleaning services for three (3) years.
- K. Agreement between Dauphin County and MAXIMUS, Inc., for the development of a Central Services Cost Allocation Plan.
- L. Approval of Proposed Settlement for the 2201 Partners, LP Tax Assessment Appeal. (2201 North Front St. – parcels #10-069-020, 021, & 022.
- M. Approval of Proposed Settlement for Hardee's Food, Inc., Tax Assessment Appeal Docket No. 900CV 1997, parcel #41-001-008, "Middletown Plaza".
- N. Purchase of Service Agreement between Children & Youth Agency and the York County Youth Development Center.
- O. Human Services Development Fund Grant Agreements for FY03/04 between the Dauphin County Human Services Director's Office and:
  - 1. Catholic Charities
  - 2. Solias, Inc.
- P. Agreements between Dauphin County Emergency Management Agency and Priority Dispatch Corporation to provide the following services:
  - 1. Emergency Fire Dispatch ("EFD") Professional Certification Course
  - 2. Emergency Police Dispatch (EPD") Professional Certification Course
- Q. Appoint members to the Provisional Ballot Oversight Committee:
  - 1. Bill Miller
  - 2. David Transue
  - 3. Ira Shapiro
- R. Letter of Agreement between Dauphin County Domestic Relations and the Dept. of Public Welfare, which includes the Business Associate Agreement of the HIPPA.

Mr. Haste: Training packet, anything else we need to know Chad?

Mr. Saylor: I don't believe so.

Mr. Haste: I guess just to reemphasize I did receive an email from someone this week wanting to know if it's in their budget do they have to fill out the form.

Mr. Saylor: We can add that to the discussion list for the Director's meeting.

Mr. Haste: We have items A through R for approval. For item Q, it should be noted that the names should be Bill Miller, Frank Pinto and Ira Shapiro. Is that correct?

Mr. DiFrancesco: Yes that is correct.

Mr. Haste: I just have one question on item G. Why are we only doing three months? Are we looking at other proposals then?

Mr. Hartwick: What we have done and with taking a look at our overall comprehensive benefits package, we're trying to add value in some areas that are not going to be of cost to the County. We are taking a look at co-pays and other alternatives in the area of health insurance. One of the things that I found amazing was when we reviewed the County benefits, in my opinion, the lack of quality EAP services that they have here at the County. That particular EAP program doesn't have a lot of participation and is not something that serves the County very well. We're looking right now at an alternative to try and explore the opportunity of joining the Unemployment Compensation Trust under the County Commissioners Association of PA. That may even lower our premiums in unemployment compensation, as well as offer us free EAP services through a first rate organization, Mazetti and Sullivan. We are exploring that. Unfortunately we are engaged in a contract with these folks and until we are able to complete that deal we are looking just for a contract extension with the hopes of having that deal completed before the contract extension runs out. The answer is yes.

**Mr. DiFrancesco made the motion to approve items A through R. Mr. Hartwick seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

### **FORMER BUSINESS**

(There was none.)

### **NEW BUSINESS**

(There was none.)

### **COMMISSIONERS' DISCUSSION & ACTIONS**

Mr. DiFrancesco: First let me report. You both are aware that I held meetings with two different groups to discuss the ambulance situation in Dauphin County. The first meeting took place last Thursday evening with the Elected Public Officials. We had very good attendance and great representation from across the County. Of course, not every municipality was represented, but we had a fair number in the room. Last night we held a meeting with the Provider Community. The folks that are actually in the business doing the service and the volunteer organizations. Again, we had very good attendance. Not all companies were represented, but I think we had most of the companies in the room. I just wanted to let the both of you know that those discussions have yielded some very good ideas. Things that I am moving forward on along with the State legislative delegation, some are simply ideas that should have been done all along in terms of State piggyback purchasing, for instance. For ambulances, currently you can't buy an ambulance like you could a police sedan in the local municipality. Our State Representative delegation and our State Senator are moving forward on that proposal to make sure that things like that can be put into place. We are talking about some sort of an umbrella organization possibly where joint purchasing can take place, again to

reduce the cost to the providers. The one thing that was reassuring to me was the fact that in both of those meetings there was a healthy sense of awareness that the emergency management services being provided to the Community in terms of advanced and basic life support is in fact in an unstable way right now and that changes certainly are going to have to come down the pike. I just wanted to keep you up to date that those meetings were taking place. Right now, I am processing the information that was presented into a formal written report that I will share with you and those that were in attendance and share with our State legislators and so forth. Any questions on that front?

I just got word of this yesterday. This is just a fabulous announcement. I'm sure we are going to be bringing something forward to bring a little more attention to this. Dauphin County EMA just received designation and word that they were the first in the Country to be certified as Center of Excellence for Emergency Fire Dispatch, which is very meaningful to the residents of Dauphin County in the fact that we are first in the Nation is big kudos for our organization. I think you will be hearing more about this as we go forward. We just got notice of the certification yesterday and I thought I would present that to you also because it is such a major deal. Our guys and gals are to be commended for their diligence and effort.

## **CORRESPONDENCE**

- A. Notification from Darwin Erdman indicating he intends to apply for General Permit 7 for the installation of a culvert in a small tributary to Pine Creek to provide access to cropland on Fearnot Road near the Village of Erdman, Lykens Township, Dauphin County.
- B. Notification from EcoSolutions indicating their intent to submit an application to DEP for remediation and stabilization of an unnamed tributary to Powells Creek, Muterelli Property, located Dimpsey Road, Wayne Township, Dauphin County.
- C. Notification from EcoSolutions indicating their intent to submit an application to DEP for installation of a 24 inch CMP and minor road crossing of an unnamed tributary to Manada Creek, north side of Mountain Road (SR443), East Hanover Township, Dauphin County.
- D. Notification from Navarro & Wright Consulting Engineers, Inc., on behalf of the Dauphin County Commissioners, indicating their intent to submit an application to DEP for a NPDES permit for stormwater discharges associated with construction activities for the Dauphin County Material Recycling Facility, City of Harrisburg, Dauphin County.
- E. Notification from Alpha Consulting Engineers, Inc., indicating their intent to submit an application to DEP for Holy Name of Jesus Land Development Plan (Workshop and Education Campus) on 39 acres located at northwest quadrant of South Oak Grove Road and Sterling Road, West Hanover Township, Dauphin County.
- F. Notification from Raudenbush Engineering, Inc., on behalf of Hanoverdale Church, indicating their intent to submit an application to DEP for an erosion and sedimentation control plan for a land development project located at 577 Hershey

Road (SF 0039), Dauphin County.

- G. Notification from Waste Management Co. indicating Dauphin Meadows, Inc., submitted a Phase I Permit Application to DEP requesting approval to expand the Dauphin Meadows Landfill located in Washington and Upper Paxton Townships, Dauphin County.
- H. Notification from Alpha Consulting Engineers, Inc., indicating they have submitted an application to DEP for a NPDES permit for a construction project for Spectrum Recyclers, Inc., located in the Borough of Highspire, Dauphin County.
- I. Received correspondence from DEP in reference to the Rocky Top Mine Operation, pertaining to the underground coal mining permit replacing Phase I issued on November 6, 1997.
- J. Notification that CARs Receivables Corp., doing business located at Corporation Service Company, 2704 Commerce Drive, Harrisburg, intends to withdrawal from doing business in the State of Pennsylvania by filing an application for termination of Authority.
- K. Notification from Buchart Horn, Inc., on behalf of East Hanover Township, indicating their intent to submit an application to DEP for a Part II Water Quality Management Permit for the proposed Bow Creek Sewer Interceptor and Dairy Lane Wastewater Treatment Plant located in East Hanover Township, Dauphin County.
- L. Notification from DEP indicating they need additional time to complete the review of Dauphin County Municipal Waste Plan Revision.
- M. Notification from Paul Clugston indicating his intent to submit an application to DEP for a General NPDES permit to construct chicken houses and detention basin located 541 Bunker Hill Road, Halifax, Dauphin County.
- N. Notification from Ted L. Oman & Associates, Inc., on behalf of DONLO Family Farms, LP, indicating their intent to submit an application to DEP for storm water discharges associated with construction activities located on the north side of Route 209, opposite McDonalds Restaurant, Washington Township, Dauphin County.

Mr. Haste: You will see correspondence listed A through N that has been received and will be handled appropriately by the staff.

## **PUBLIC PARTICIPATION**

Ms. Thompson: Good afternoon Gentlemen. I am Harrisburg City Councilwoman Linda Thompson, Vice President of City Council. First of all I'd like to commend you Commissioner DiFrancesco. I like the way you address the participants and the applicants when they come before you. In particular today, I was more educated on the information about bonding. So, I have learned from you today and I encourage you to keep up the great work you are doing. Particularly when it comes to talking about how you can save your taxpayers dollars. Good morning Commissioner Hartwick, Commissioner Haste. Gentlemen I am here today because I heard some rumors to terminology that you said our constituents. And as a Councilwoman representing the entire city of Harrisburg understanding the social economic of Harrisburg I am deeply

troubled. Particularly, I had introduced a program that all of you are aware of because I have independently had conversations with you. Because it is hard to get all of you on the phone I've decided to come this morning to address my concerns. I am not asking for anything. Last year Commissioner Haste you and I sat down and we discussed the great opportunity to try and implement what I can do as a property tax campaign fund. That campaign fund was to do the good works of the Lord and that is to help those economically disadvantaged senior citizens. Who by no fault of their own can no longer afford to pay for their taxes when they skyrocket. We were able to hold the line this year for our taxes, unfortunately you gentlemen haven't been able to do that. Because you are restructuring your debt you are looking at how you can get the County under control. I wish we had that luxury over there at the City. But last year the program was such that I had a non-profit that I'm the founder of and I explained that to you Commissioner Haste. I said that the non-profit would be used as a "buffer" if you will or a jump-start to take over a program to eat the cost, because the money wasn't there to try and do what I wanted to do coming into the game. Unfortunately, innuendos, false rumors and false accusations of my character were such that I was trying to raise the money to support my non-profit which were totally false. Because, for the record, I am a volunteer/President and CEO of that company. So there is no conflict of interest because there was no money directly coming into that organization that was paying me. So I'll clear that up for the records. You noted that you thought it was a great idea and you also gave me some wonderful ideas, one in particular. We talked about if the County was able to sell some homes you could probably use some of that money to put back into the pot. We never did go back to address that. So I move forward and I brought in a highly professional organization called the Urban League Young Professionals. I know they are doing very well in this community and they are highly respected because they are young professionals that work for the State and all kinds of private organizations. So they were able to raise with me a lousy \$592. A far cry from what I thought we were going to raise. I sent out through Love Ship, Love Ship ate that cost, well over probably 3,500 mailings and we were only able to raise \$592. I was very embarrassed by that because I had some very powerful names on that letter. Your names were on that letter, Mayor Reed's name was on that letter and former Commissioner Petrucci's name was on that letter. But I didn't get discouraged because I knew that that was not my personal purpose it was a divine purpose. Because I prayed on it, what was it that God wanted me to do to help Seniors? And that was the vision that came to me and I believe that when I pray to God I get an answer and I move on it. So we're back again this year and I've called on each and every one of you to help me support this. I'm still calling on you to help me support this. Unfortunately, I received positive press last year from the Patriot News from the same author, Mr. John Luciew. Positive press and he didn't malign me with as he characterized me this year as using a powerful political issue to advance my political agenda. He didn't say that last year. He wrote another article this year because of back door politics and malicious men in politics that wanted to malign me again this year with the same concept as, I will quote him, "Councilwoman Thompson plans to use taxpayers money to put herself front and center on two politically powerful issues, tax relief for Senior Citizens and more access to contracts for minority women in businesses." Then he goes on to say that I am using these issues to promote my own agenda. I felt his actions to be the highest form of

prostitution of journalism. Because on one hand he says last year it was a great program and then he comes back another year and says something totally opposite. So I question this man's character. I question who was really behind the motive of such a negative article. But the people that read that article found greatness in that. Even our District Attorney came up to me just recently and said your damned if you do and damned if you don't. I'm glad you are doing something with the money. I am hear to say gentlemen that I am reminded of a scripture in the Bible that says, "He who curses the poor shows contempt for their maker but whoever is kind to the needy honors God." I think that this project is honoring God because you and I both know, Commissioner Hartwick, Commissioner Haste and Commissioner DiFrancesco, it's a hard task when you have to raise taxes knowing that some with weak economics just can't afford that tax increase. I felt that this program would be a great opportunity to implement because we raise money through campaigns to help kids with scholarship money. We raise money for basketball courts, etc. What a wonderful opportunity to raise money for Seniors and lessen their burden and say that these grant dollars are not repayable. I thought I would be a little savvier this year and remove my non-profit to protect its integrity and my Board of Director's integrity. Because I do have some men and women on that Board who are full of integrity. Three of them are attorneys, one of them is the Vice-President of Pepsi Cola, and of course myself, the CEO, I am full of integrity. I went out and removed my non-profit organization to get rid of all the rumors and negative innuendos. I spoke with another non-profit organization that I believe has been deemed worthy. When I met with Linda Figueroa several times on the phone I had believed that I had sold her on this wonderful project. Even up to the very last hour I thought I had sold her on this project. Then after negative comments to her, even though she won't admit it, and backdoor politics, she wrote me a letter indicating that while we think it's a great concept we will have to decline. I had a meeting with my Board of Directors and they had some concerns. Two of their concerns I felt were very minute, which made me think that there were some politics involved with this. Her other concern was that she didn't want to be aligned with something she thought might fail. My response to her was to do nothing would be a failure. So she said that because we were only thinking about paying part of the property taxes they didn't want to be aligned with a part of a good idea. The other concern would be that...I can't remember the second issue but it was something you could overcome and we overcame that. I wanted to shake the dust off my feet and keep moving and come before you today to tell you that I am concerned because I have gotten some information that Commissioner Haste, I believe you are a man of honor and nobleness. Some of the concerns that came to my attention was that you weren't going to support this program because Mayor Reed was not going to support this program. And I was deeply grieved by such accusations. I was also told that I wasn't going to get Commissioner DiFrancesco's support because you weren't going to support it. I was deeply grieved by that as well. Because I believe that if you or Commissioner DiFrancesco came to me and Commissioner Hartwick came to me after supporting my idea and felt it was worthy and deemable, I don't give a hoot who on the other side of the fence was not supporting this. I would do it because it was the right thing to do. I was concerned Commissioner Haste when you had asked me a question through your secretary was Mayor Reed supporting it? The reason why I was concerned by that question, was because I wanted to know was there ever a time when

Mayor Reed came to you with a project and you didn't see my name on the project and you asked Mayor Reed if Linda Thompson supported this project. Now we can all give the Mayor great accolades for the work he's done. Let me say this, I am independent. I support the Mayor when I feel it is right to support him and I am indifferent with him when I know it is not within my soul to do it and it's not morally right and it is not within the best interest of the constituency we all serve. For that I am being deemed as a person that clashes with the Mayor. Call it whatever you want to call it, but I practice democracy. So I am here to say that I didn't ask the Mayor's support this year because I asked the Mayor to do certain things last year and he didn't do it. I am not apologetic about being public about that. I am coming back to the County Commissioners because we have a bigger picture. You talked about a bigger picture and I see a bigger picture. The bigger picture is Commissioner Jeff Haste and Commissioner DiFrancesco and Commissioner Hartwick is that the County's social economics may be greater than ours, there may be more people making \$60,000 and \$70,000 that can take that property tax increase. But over here in Harrisburg I am dealing with some of the most impoverished individuals. We have a high percentage of senior citizens who do own homes and are struggling to pay their taxes. It all goes back to the American dream and promoting home ownership and on the other hand I have information that says you can go 15 or 30 years and pay for a house through a loan and pay all that interest rate, and then lose that property overnight with a \$2,500 tax bill. I think that this issue calls for leadership attention and I've taken on that calling. I know that I can't do this alone. I recognize your integrity, your ability to mobilize and your ability to generate revenue. So I am coming as a lady, a woman an elected official of high esteem, high caliber asking you, men who I deem to be the same men of high honor, high nobility and high character to get on board with me. So that I can serve more than just Harrisburg constituents. Right now I have removed the County because of all the innuendos and rumors I heard. I am going to take on this challenge and try to help the constituents of Harrisburg. I'd like to come back and get a meeting with all of you to see how we can join forces to help Dauphin County homeowners, as well as their Senior Citizens. The program we have used is a very sharp and savvy attorney from Rhoads-Sinon, LLP to help us develop the application. We, as I told you Commissioner DiFrancesco, that I didn't want to invent the wheel because Love Ship runs a housing program under contract with PA Housing and Finance so we already have eligibility criteria designed to put in place to say to Senior Citizens here is the criteria that you must go by in order for us to deem you eligible to receive this grant money. And it's free, you don't have to pay it back. We also said that we didn't mind you coming back every year to foot the bill. We said it would be a once in a lifetime rent to pave the way for other people to come and reapply every year. We also overcame the issue that the Community Action Commission had about whether Board members could vote. She actually said she didn't want Senior Citizens applying if Board members would be reviewing their applications. She said I'm not going to punish them its no fault of theirs that one of the Board members may be a family member. What I will say is that a Board member who reviews the application and votes on the application cannot vote on it and cannot review it if their family member is one of the Seniors. We overcame that problem. I found another noble non-profit and I'm keeping them anonymous for fear that I might get sabotaged or get bullied behind the scenes by some political pundit who may not be happy that I am doing this program and your not

doing it. I am going to protect that non-profit organization and announce them at the senior luncheon that we will be holding on April 29<sup>th</sup>. Again, for the second time we're not the program allowed for this use to come and get the application and further explain the eligibility and criteria of the program. That's what I am here to say to address my concerns to put the fire out about the false rumors that were cast on my character. Again to ask you to open up your hearts and your minds and roll up your sleeves at a later time to see how you can join me in this effort to help your Senior Citizens in Dauphin County. I will also note that we were only able to pay one property tax last year. That person was a homeowner in Harrisburg, however, Dauphin County's taxes were paid. She owed you money and that check went to Dauphin County. The Seniors are pleased that we are doing something. They understand that we can't pay all of their taxes as we note the School District is the highest property tax of all. I'd like to be able to pay \$1200 of some Senior Citizens tax this year. Council has some special project money that we were able to get smart with this year. We realized that the Mayor was not the only one that could take tax dollars and use it for special projects. So we got savvy and smart. We decided to implement some special project money too. The Mayor didn't fight us originally as the paper says. The Mayor agreed to that money. It was only as we got into a crunch, when the Mayor decided we were going to raise property taxes that he decided to take it back. We fought him on that and we negotiated. He didn't take the \$300,000 from us we gave it back to him to have good will reach the community. We were able to maintain \$200,000 of that \$500,000 that we didn't use to do special projects in the Community. I chose Senior Citizens for one of my projects and minority women in businesses. Because when you go down town you don't see even playing fields of minorities downtown. So I used a little bit of that money to hold receptions to introduce minorities to other prime contractors who were white. This was to try and help them network to get money on that side of the fence. I am here to address my noble cause and I will say gentlemen in closing, I came with a gentle conversation because you get more with sugar than you do with salt. I also want to close by saying in Proverbs 14 it says the simple man believes anything but a prudent man gives thought to his steps. So I am asking you to give thoughts to your steps and join me in this wonderful opportunity to show Senior Citizens that we recognize that they are on a fixed income. While working citizens may be able to afford a tax hit we recognize that they can't and as a result we're going to show them that we are going to go out there and help them raise money to help them pay for those unpaid property taxes. Thank you gentlemen for your time and your graciousness. Have a great day.

Mr. Haste: Thank you. Just to respond to a couple of those remarks. There are many issues where the Mayor and I may agree on. There are many issues we may disagree on. He does not control how I vote, nor do I his. I do like to ask where he stands on issues. That does not mean I will vote for or against based on that. I would also like to say this. As long as I have been associated with Nick, you will see on many issues here that we may not always agree. So whoever gave you that information was very ignorant of the process of us. On the whole issue of property tax, hopefully over this past year a lot of people have brought it to the forefront and will continue to bring it to the forefront and I think this is just another prime opportunity to say I think it is the worst tax that we have. It is very unfair and if the Legislature doesn't wake up and make a change I think

there is going to be a revolt at some point in time. It is a terrible way to tax our people. I know it seems to be concentrated in Harrisburg but I can pick other communities in the County that percentage wise, maybe not raw numbers, but percentage wise they fall into a very similar problem. It's very unfortunate. I remember this very well back in 1992 when there was a picture in the paper of a lady up on Market St. that was removed from her home by the Sheriff's office because she couldn't pay her taxes. I'll never forget that picture and I'll never forget that time. It's unfortunate that we are here probably 15 years later and the Legislature still has done nothing about it. I think that is the bigger call, for us to try and get the way we tax our people in Pennsylvania changed. Something as simple as the program that we have here in Dauphin County with the rate where we can basically allow someone to not pay the increase to defer the increase until they sell their home. That rate is set by the Legislature and we can't affect that, even though it is our tax, it's our community and we are doing it. I think we have to highlight these things and continue to go to the Legislature to force them to change the way we do taxation in this State. Until then, and I'm not trying to downplay what you are doing because it's commendable and we ought to do that, but everything you try and do like that is only a band-aid to the bigger problem. I think we all ought to keep reminding the Legislature that we've got a bad system that's got to change. I will be happy to revisit that with you. My understanding when that was going on I had asked a couple questions and I had missed your deadline when you needed it signed. I'm not against the program at all. All of the innuendos that you were referring to quite frankly went right over my head because I don't know what you are talking about. If they were meant for me I didn't hear them. If people were spreading them for me to hear I didn't hear them.

Ms. Thompson: Thank you, I appreciate that.

Mr. DiFrancesco: Just a couple things that Jeff already touched on. The one thing that anybody realizes about me is that I tend to be a renegade and out of step with my colleagues far too much.

Ms. Thompson: I'm doing the same on City Council.

Mr. DiFrancesco: There are often times, in the short three months, where we've gone different ways on issues and I'm curious to find out, and I'm not asking, but curious to see where those comments came from. Really we had a brief conversation, we haven't talked in depth, the letter showed up on my desk and I looked down and saw that my name was spelled wrong. That was the last time I saw the letter. I sent it back to be corrected.

Ms. Thompson: I did correct it. I said to Commissioner Hartwick's secretary, who's been wonderful and by the way, all of your secretaries are very thorough and kind women. Kacey said Linda, Commissioner DiFrancesco said you spelled his name wrong, I said, does that mean if I spell it correctly he's on board? She said I guess, I don't know.

Mr. DiFrancesco: No, that means we need to sit down and talk. The letter came in and caught me off guard because it needed to be turned around quickly. There is more that I would like to know about the program. I certainly have not made my mind up at all on the program. Again, there are often times when I see the headlines, I don't even read the article. I realized there was an issue when I had on Channel 20 last evening and the woman, I can't remember her name...

Ms. Thompson: Ms. Jena East.

Mr. DiFrancesco: Yes, she was up making comments and I didn't know what was going on. Obviously I realized there was an issue going on.

Ms. Thompson: We protected the integrity of the County. I said the County's not involved and I don't want to explain. I didn't want to give anyone the wrong impression without first speaking to you. I have a discerning spirit and I knew there was more to it. That's why I came before you and treat you as honorable.

Mr. DiFrancesco: I appreciate the fact that you came. I do want to echo one thing because again, I think this is a noble thing you are trying to accomplish but I think ultimately and the big frustration I have had for many years is, and this goes back to my years as a Township Commissioner as well, as Jeff hit on, why the Legislature won't move forward on meaningful tax reform is beyond me. You would think this was the most controversial issue on the face of the Earth and the bottom line, all the municipal government organizations, the first class Townships, second class Townships, the League of Cities, the Boroughs, the Counties are all on board. What we are asking is to pick three or four things and let us make a decision in our market place what best suits us. We have a stable income economy here. It probably makes a lot more sense for us to go to some sense of an income tax rather than a property tax. Let us make that call based on our economy. Why the Legislature won't move forward on this is absolutely beyond me. It's not the challenging issue that they make it out to be. In the Poconos you don't have any people you have vacationer properties, make it a property tax up there so that people are paying for the services that they are getting. Far too often government complicates things and while they are complicating things and not moving forward people are losing their homes. It's not right.

Ms. Thompson: Maybe a frontier fight should be that we monopolize every able voting Senior Citizen and go up to that Capitol.

Mr. DiFrancesco: Absolutely.

Mr. Haste: The only thing I'd like to correct is that it effects more than Seniors. Young families are out there trying to pay off their mortgage in 15 years and they are losing because of that.

Ms. Thompson: Exactly. I know because at Love Ship we do foreclosure mediation. I see it every day.

Mr. DiFrancesco: It is truly a sad situation. It is time, unfortunately it is at the State government level, and they need to move forward. We will come side by side with you. We will take the grief also. We'll fight the political fight also but let's do something because people are losing their homes.

Ms. Thompson: I would like to note that I am having a press conference today to announce that Fannie Mae will be the keynote speaker for the luncheon. I've learned how to do things quietly now so people don't sabotage. So Fannie Mae will be coming to talk about how they can support what we are doing for Seniors. They have a plethora of programs so I am pleased to announce that to you today. I will be going to the Press Conference at 1PM. Like I said we will be announcing the non-profit that will be the pass through. Their only job will be to administer checks because I'm going to use \$10,000 as I told you Commissioner Haste of my \$20,000 to start the program off. That way it gives me some breathing room to go out and try to raise some other dollars, non-traditionally.

Mr. Hartwick: Real briefly, I know I met with Councilwoman Linda Thompson and we actually talked. The issue here, first of all so that you realize, Jeff and I vote together, Nick and I vote together, this Board of Commissioners is probably as non-partisan as you get. The only thing I was concerned about was the suggestion that if Jeff would do something, Nick would too. I think if you talk to us individually or if you talk to us as a group we may give you different opinions, we'll give you different ideas, we'll all have the same vision of where we want to go, but we may disagree on how to get there. No one is in lock step here. We debate the issues usually in the open and we remain delighted in doing that. The issue with trying to get it through the Community Action Commission to put a credible spin on your project we tried to do that. It did not work. Obviously, the thing about it is it's good for us to have this open dialog and try not to make any accusations or sort of attacks with the administration because you will get a whole lot further in moving forward.

Ms. Thompson: I don't think I attacked them today. I did not attack. I made them aware of what others were saying to me. If I attacked them I would have come right out and said, how dare you say that. I respect Commissioner DiFrancesco and Commissioner Haste, as well as you. My spirit wasn't right with the innuendos and the accusations that were presented to me, that's why I'm here today.

Mr. Hartwick: I appreciate you clarifying and I look forward on working toward a way to make the project work.

Ms. Thompson: Thank you Commissioners, have a great day.

Mr. Haste: Is there anyone else in the audience that would like to address the Board at this time? (There was none.)

## **ADJOURNMENT**

**Mr. DiFrancesco made the motion to adjourn. Mr. Hartwick seconded the motion. Mr. Haste—Aye. Mr. DiFrancesco—Aye. Mr. Hartwick—Aye. Motion carries.**

Transcribed by: Jena Wolgemuth  
April 22, 2004

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff

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