



DAUPHIN COUNTY BOARD OF COMMISSIONERS

Commissioners' Legislative Meeting

Wednesday, June 28, 2006 (10:00am)

MEMBERS PRESENT

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

STAFF PRESENT

Bill Tully, Esq., Solicitor; Chad Saylor, Chief Clerk; Marie Rebeck, Controller; Bob Dick, Treasurer; Faye Fisher, Personnel Director; Scott Burford, Spring Creek Administrator; Karen Breithwaite, Elections and Registrations; Mike Burke, Security; Sandra Snyder, Register of Wills; Dave Schreiber, Personnel; Sharon Way, Personnel; Donna Miller, Risk Assessment; Mike Yohe, Budget Director; Randy Baratucci, Purchasing Director; Carolyn Thompspon, Court Administrator; Tom Guenther, IT Director; Bruce Foreman, Solicitor's Office; Kacey Truax, Commissioners' Office; Julia Nace, Assistant Chief Clerk; Diane McNaughton, Press Secretary; Kay Sinner, Personnel; Marielena Martinez, Commissioners' Office; Mike Pries, Security Director; Dan Robinson, Director of DCED; Dominick DeRose, Prison Warden; Elke Moyer, Human Services; Donna Price, Controller's Office, and Jena Wolgemuth, Commissioners' Office.

GUESTS PRESENT

Frank Linn, Daryl LeHew, Mrs. Hartwick, Mark Stewart, Mike Miller, Kelly Glorioso and News Channel 21, News Channel 27, News Channel 43, Jack Sherzer, Chas Blalack, Clay Christianson, Mary Schwonger, Dave Gash, Judy Heh, John Bair, Rose Guyer, Clare Jones, Tom Cody, Helen Elliott, Robert Kirkpatrick, Joyce Culpepper, Peg, Terry and Josh Myers, Carolyn Trowbridge, S. Disend (C.A.G.A.), Darlene Manning, Nicole Thomas, Loretta Wilburg, Velma Prather, Helen Elliott, Nichelle Chivis, Christie Mascioli, Karla Hodge, Hazel Harris, Chloe Morris Hodges, Valerie Waller, Lormine Rose, Veeta Bonner, Queenie Lee, Gary Wright, Rebecca Schubert, Brenda Morris, Paula Kiernan, Gary Bullock, Christine O'Neil, Sally Acri, Tina Coley, Lezetta Simpson, Linda Wise, Susan Spren, Jennifer Scott, Laurene Pareill, Betty Lyte, Elaine Barbush, Earnestre Kears, Laura Mullen and Mary Miller.

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 four sets of meeting minutes to approve. I would ask for a motion to approve the May 31, 2006 Legislative Meeting minutes and the June 7, 2006 Workshop Meeting minutes. Is there a motion to approve?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the May 31, 2006 Legislative Meeting minutes and the June 7, 2006 Workshop Meeting minutes. All were in favor. Motion carries.

Mr. DiFrancesco: We also have the May 31, 2006 Election Board Meeting minutes and the June 7, 2006 Election Board Meeting minutes. Is there a motion to approve those two sets of minutes?

It was moved by Mr. Hartwick and seconded by Mr. Haste to approve the May 31, 2006 Election Board Meeting minutes and the June 7, 2006 Election Board Meeting minutes. All were in favor. Motion carries.

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Saylor: Commissioners as you know there were no Executive sessions held between meetings.

PUBLIC PARTICIPATION

Mr. Haste: We are at the point in time during the meeting for public participation, is there anyone that would like to address the Board? If you do please come to the microphone state your name clearly for the record and then proceed.

Ms. Guyer: Good morning Commissioners.

All: Good morning.

Ms. Guyer: Last week I requested a copy of the proposal for sale of Spring Creek to the Ensign Group. In any event I received it late Monday afternoon and didn't have much time to really study it and as much as I am not very knowledgeable about things I have to use my common sense to guide me. I think this agreement is totally in favor of the buyer. Although you say you are going to demand certain things for our people there is an exception to every rule in here. This contract is solely in the benefit of the buyer not in the benefit of the people. My concern is the people. It says yes we are going to provide beds, etcetera, but then there are other clauses. This could be changed. So many things could be changed. I don't see anything enforceable in here to the benefit of our people. I think this contract is probably as bad as the one you could not enforce on the building. You couldn't enforce a good contract for a new building. I don't see how you could possibly enforce anything here. We are giving the place away and we are pushing our people down a drain. I hope this is the last time I will have to comment to you in such a negative fashion, but my concern is the people and they are not being looked after in this agreement. Thank you.

All: Thank you.

Ms. Jones: Good morning Commissioners. My name is Clare Jones and I am the President of the Greater Harrisburg Area NAACP. I am here today to reflect the feelings of our members on this possible sale of Spring Creek. We don't know a great deal about the Ensign Group, but we are concerned that among other things the number of beds that are dedicated to the poor, to the indigent, drops from 404 to 216 available beds.

Mr. Haste: No, how many beds do we have now?

Mr. DiFrancesco: Actually it would be from technically 308 beds down to 216.

Mr. Haste: 216 that are guaranteed.

Ms. Jones: My question is, where do those other people go if they need service? Will 150 people just disappear from the process because the bed space isn't there? Where will they be? That is one of our concerns. The other is that we know that this situation has a disparate effect upon the African-American population of Spring Creek. They tend to also be among the poorest of the people that are consumers of services at Spring Creek. It hits our community disproportionately. We don't know what is going to happen to those individuals. I also look at the price we are getting, or you are getting, but I guess it is we because we are the taxpayers, even you guys. I want to stop and say I think you are three of the finest individuals who have ever sat in those seats. I think that you are bright, caring and very intelligent and I think that you want and try to do the right thing. I also think that you get choices that are sometimes just exasperating because they aren't good choices, but I do believe the decision to sell Spring Creek, although it makes some kind of economic sense long-term it does not make human sense. We are

dealing with human beings and I believe that the level of care that they will get will be lower. Our ability to actually track that care will be different in the private situation and we will certainly be one of the monitors if this happens to stay on top of them. We don't want to have to come back here and say we told you so. We are telling you up front that we have a strong reservation about this. Of course, there will be some displacement and some reconfiguration of jobs for individuals if they are there and we are not necessarily sure that is in the community's best interest either. I conclude by saying that my original reservations stated about a month ago regarding the Spring Creek sale still remain. I cannot, with my human services background, find it appropriate to do this. I understand why it is being proposed but I still think it is an awfully bad idea. At this 11th hour I ask that you reconsider. I am not at all sure that the people who are most vulnerable in this situation will be protected. I think you think they will, but I have a different slant on that particular situation. I thank you for your time, I know you put a lot of thought into doing this and even good people can sometimes make bad decisions. Thank you.

All: Thank you.

Mr. Cody: My name is Tom Cody and I now live in Enola, but I had lived many years in Harrisburg. I am very familiar with Harrisburg and Dauphin County. I would like to read this to make it easier and quicker. I am here today because I am deeply troubled by your attempt to privatize Spring Creek Nursing Home. Spring Creek is a very important resource in our community because its explicit mission is to serve the indigent in Dauphin County. The County has kept up it's commitment for more than 100 years. When the Depression hit our country the county kept it running. The facility survived through two world wars. For more than a century county officials thought that this resource was worth preserving even when the financial picture was far worse than it is today. I ask you now, where is your commitment? Can this group of Commissioners explain to the public why the situation today is harder to manage than it was during the Depression? If you sell Spring Creek to a for-profit company you are giving up on our most vulnerable citizens of the county. Especially if that company has a record that is so troubled that it has literally cause watch-dogs from other states to come here to warn us about it. A for-profit company's primary goal is not to serve the indigent no matter what those slick out-of-towners who want to buy the place try to tell you and no matter what kinds of assurances they give you. I know that you are trying to get written guarantees from the bidders to maintain services to the poor, but if we find out next year that the company is not keeping its word what are we going to do, sue them, take the facility back? You will have no power to do anything about that. I strongly urge the Board to slow down and think this decision through thoroughly. I am sure you have already, but try it again. Take a hard look at the records of the bidders. Don't rush to judgment. If you do, the consequences for our most vulnerable citizens may be disastrous. Thank you.

All: Thank you.

Ms. Elliott: Good morning my name is Helen Elliott. I would like to know if the Office of Attorney General determines that some restrictions remain on the Spring Creek

property and if those restrictions create a charitable trust. Their office would take any action necessary to ensure that the trust is honored. Has the county researched the components of the charitable trust to ensure that no restrictions remain?

Mr. DiFrancesco: Yes.

Mr. Haste: Yes.

Ms. Elliott: Thank you.

Mr. Kirkpatrick: Good morning Commissioners.

All: Good morning.

Mr. Kirkpatrick: My name is Robert Kirkpatrick and I am here to pose a question to you guys that I think hasn't been answered yet. I was curious on how exactly the county is established how \$15 million dollars is fair market value for the county nursing home and its furniture and fixtures, etcetera. In light of the fact that the South Tower cost approximately \$23 - \$25 million to construct and the current assessed value is in excess of \$33 million.

Mr. DiFrancesco: Actually those questions were answered. The building cost between \$17 and \$19 million to build. The \$23 million outstanding bond includes the price of the building, the demolition and some refinancing that was done. The assessed value of the home, which was done through two independent appraisals, came in at about \$12 million. The deal would result in a \$15 million payment for a building that was assessed primarily due to its function. That land may assess at a different amount if the restrictions aren't on it to be a nursing home, but because it was assessed as a nursing home because that is the deed restriction it came through with property and furniture around \$12 million.

Mr. Kirkpatrick: Thank you.

Mr. Hartwick: One of the other things I think that was considered was the operating losses of the facility and the overall assessed value. Am I correct?

Mr. DiFrancesco: The business trends of that facility and the business trends of that industry.

Ms. Culpepper: Good morning. My name is Joyce Culpepper. Since the county subdivided the county nursing home property what does it plan to do with the remaining parcels?

Mr. DiFrancesco: The subdivision is not complete yet. We are still in the process. At the end of the day when it is subdivided the remaining parcels, there will be 3 out front on Paxton Street...

Mr. Hartwick: 3 or 4.

Mr. DiFrancesco: 3 or 4, but right now I think we are moving forward with 3 though, right?

Mr. Haste: Right.

Mr. DiFrancesco: Currently it is 3 on Paxton Street, which the county will continue to lease and generate revenue with, the remaining parcel, which is the main body of the land surrounding Spring Creek would continue to be reserved for the county services that are located there. The warehouse would continue and the District Judges Office would continue.

Mr. Hartwick: The backside of 441 is the only other parcel we are looking to generate some sort of rental from that.

Ms. Culpepper: Okay. Also, have the remaining properties been appraised?

Mr. DiFrancesco: No. The focus at this point was simply on the parcel in question for sale because that is the one we needed to know the value of. There was a value devised for the entire block of land before it was subdivided and quite honestly I can't remember what that number was. We will not have a current appraisal for the remaining parcels once that center chunk is cut out.

Ms. Culpepper: Alright. What is the total appraised value of the property? Do you know the number or the value?

Mr. DiFrancesco: Of the subdivision piece?

Ms. Culpepper: Yeah.

Mr. DiFrancesco: That is the number we had mentioned was \$11 million for property...

Mr. Stewart: It came in at \$10.3 million for the property and improvements and \$10.9 million total.

Mr. DiFrancesco: So \$10.3 million for the property itself, the rest of it would be the furniture and furnishings of the building.

Mr. Culpepper: Okay, thank you.

DEPARTMENT DIRECTORS/GUESTS

Mr. Haste: Are there any Directors to report to the Board at this time? (There were none.)

SALARY BOARD

A complete set of Salary Board minutes is on file in the Chief Clerk's office.

PERSONNEL

Ms. Sinner: I do have an addendum to the Personnel Packet. We actually have a hire for the part-time temporary Department Clerk II in Register of Wills and a hire for a part-time Dietary Aide at Spring Creek. There is also a suspension listed in Separations. There are no changes to the original Personnel Packet.

Mr. Haste: Is there a motion to approve the Personnel Packet?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve the Personnel Packet as presented. All were in favor. Motion carries.

PURCHASE ORDERS

- A. Bid Award for food services for the Schaffner Youth Center.
- B. Purchase Orders

Mr. Baratucci: Commissioners, I am going to take the Purchase Orders first. There was one item added since last week and that is on pages 17 and 18. It is for EMA. They did send an email to Commissioner Haste asking that it be added. It was some video and recording equipment for training that they wanted to purchase out of a grant that ends on June 30, 2006. That is on pages 17 and 18. That is the only change from last week. All of the budget issues have been resolved. The packet is there for your approval unless you have any questions.

Mr. Haste: Any questions of Randy? (There were none.) Is there a motion to approve?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the Purchase Order packet as presented. All were in favor. Motion carries.

Mr. Baratucci: I have one other item. (He distributed information to the Commissioners.)

Mr. Haste: While Randy is handing this out I'll just let everybody know of a purchase that was made last night at the Prison. We've gotten enough water in for I believe 14 days of supply. What has happened is we were able to get a pretty good deal. I know the Warden already this morning has shared some of that with the Schaffner Center so that they were taken care of. He also made contact with the nursing home to let them know if there was a need he had some. We have a place in the back warehouse where we are able to store it. The Warden was able to get a very good price. Now hopefully we are ready for the upcoming season.

Mr. Baratucci: Okay, in addition, a couple of weeks ago we opened up a bid for the food service contract at the Schaffner Youth Center. We need to do that bid every three years. There are some requirements from the State that have to be honored. We did do a new bid. We only sent out to the five bidders who are on the list and we also did all of our advertising. We had three bidders that showed up for our pre-bid conference but only one of those three elected to submit a bid. It is the company that holds the current contract, Aramark Corporation. The prices that they bid, those are premier prices on the sheet that I gave you. As you can see their 1st year and 2nd year prices are actually lower than what they are paying currently. Even though we only received one bid we think it is a fair bid. The company has been there for a number of years and as you know also our food management service at the Prison. In lieu of all that we ask that you would approve the bid so that the Schaffner Center can get the contract rolling through the State and get it back to you for signature. It is a three year contract that we are hoping for. We need to do it a year at a time. The State has us do it one year and then two optional years. We will have the option at the end of one year, if there would be any problems, to rebid it. Our intention would be to take years two and three assuming everything is going okay. The current one would just be for the first year and that is the way the contract would read. Any questions?

Mr. DiFrancesco: In your dealings have you had any concerns whatsoever?

Mr. Baratucci: I haven't had anything. From everything that I have been told they do a good job. Like I said, not only at the Schaffner Center, but they have been the supplier at the Prison for at least 10 years. I think the Warden can vouch for them also. They seem to be doing a good job. Their prices are good.

Mr. DiFrancesco: I have not heard any criticisms, as a matter of fact; I have heard that they have been a good partner. I just wanted to make sure that through your dealings there weren't any issues.

Mr. Baratucci: That is my understanding as well.

Mr. Haste: Is there a motion to accept the bid?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to accept the bid from Aramark Corporation for the food service contract at the Schaffner Youth Center. All were in favor. Motion carries.

REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR

- A. Bid Award for the Investment Account for the period July 2006 through February 2007.
- B. Investment Report
- C. Adoption of proposed FY06/07 Budget

Mr. Yohe: I have three items on the agenda today and I will start with the investment report.

Report from the Office of Budget & Finance
June 28, 2006

- **June 16, 2006** transferred **\$1,570,622.76** to the **Payables** account from the County's Concentration account for checks issued that week. (Delinquent Taxes - \$1.1M)
- **June 23, 2006** transferred **\$3,319,675.08** to the **Payables** account and **\$1,882,415.23** 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 \$128,992.45 rate 5.020%**
- **Balance today in Community Banks investment account \$120,473.54 rate 4.990%** (This rate equals today's Community Banks 91-day TBill rate of 4.84% plus 15 basis points)
- **Balance today in Graystone Bank investment account \$20,180,216.23 rate 5.330%** (This rate equals last month's average 1-month LIBOR rate of 5.080% plus 25 basis points)
- **Balance today in Commerce Bank investment account \$22,500,158.46 rate 5.355%** (This rate equals today's 91-day T-Bill rate of 4.905% plus 45 basis points)
- **Balance today in Sovereign Bank investment account \$45,842,166.38 rate 5.441%** (This rate equals today's 1-month LIBOR rate of 5.341% plus 10 basis points)

No T.R.A.N. Line of Credit required for 2006.

Mr. Yohe: As you know Sovereign will not be participating in the next round of the investment pool. They were edged out by the other banks, but I will get into that a little bit later. That will be the last time for a while that we have a large amount at Sovereign. We will be moving them to approximately \$100,000 to be equivalent with what we did at Community to keep that account open. Any questions on the investment report?

Mr. Hartwick: I have just one question. With those bids that came in, if you look at Community's, they are even still lower for the next several months than what we are currently getting now.

Mr. Yohe: Community is raising their basis points from plus 15 to plus 40.

Mr. Hartwick: Then they will still be at what?

Mr. Haste: They will be at 5.24%.

Mr. Hartwick: 5.24% which is still lower than any body else in the three mix.

Mr. Haste: Which means that they will get the lowest amount of the three, but Sovereign is not in the picture anymore.

Mr. DiFrancesco: What would Sovereign's rate be going to?

Mr. Yohe: Sovereign's rate is current Libor. Community's is average of the previous month's T-bill. That is going to jump up significantly. The T-bill rate rose significantly. I ran numbers today and they are all still real close together. Unfortunately Sovereign right now could be close to the other three. We based the RFP's on the past two and a half year's performance. That is what I waited on.

Mr. Haste: Plus Sovereign did not complete our RFP.

Mr. Yohe: That is correct.

Mr. DiFrancesco: I think it is important to note too that there are going to be times in the interest rate cycle where this system isn't going to be the best but for the most part we are going to get the best players and the best interest rates.

Mr. Yohe: Exactly. I want to go over a proposal with you if you want to consider that. I talked to the representative at Sovereign and he was pleading his case and I said maybe we could do something, but I will get into that when we get into the bids.

Mr. Hartwick: A way for him to plead his case effectively would be to get you the information you need on time and put themselves in a credible position to get the business.

Mr. Yohe: I agree but I hate to lose any basis points.

Mr. Hartwick: Especially because their performance in recent months has been....they've won the bid probably 2 out of the last 4 times, if my memory serves me correct.

Mr. Yohe: Current Libor has been the quickest to grow in the past several months. Any questions on this report? (There were none.)

Second item is the RFP for our investment pool. I went over that in detail at last week's meeting. To rehash or refresh your memories a little bit, based on the bids that I received from the six different banks I ranked them going back to January of 2004. That whole time period interest rates have been rising slowly. We are still expecting that environment to continue through this next 8 month period. I ranked them on that basis, which indexes plus the basis points would have given us the greatest rate of return during that time frame.

Graystone Bank came in number one, Commerce Bank came in number two, Community Banks came in third and Sovereign came in number four. All within ten

basis points within the top and the bottom. As I stated last week, I requested twice, but I did not get a completed RFP from Sovereign and I still haven't gotten anything. My recommendation would be to go with Graystone, Commerce and Community for the period of July of 2006 through February of 2007 and then we will go back to a six month cycle after that.

Mr. Hartwick: You had mentioned something on the side from Sovereign. What are you talking about?

Mr. Yohe: Now their bid was one month Libor plus 10. I did call him this morning to check with him since they are not in the mix it is just going to be one month Libor. They dropped the 10 basis points, but we could maybe get that back in. He had said since Graystone Bank was number one and they were limited to 20, he suggested giving 25% to the other two and then give us the excess over what Graystone has. It is something to consider as long as your rate is highest. I don't know if we would go that route, it is kind of unfair to the other two banks.

Mr. DiFrancesco: Right, now we are changing the rules to the extreme and we can't do that. We have a responsibility to stand by the rules that we put out there.

Mr. Yohe: Okay. He wanted me to throw that out there to you. I let him know last week that we would be reducing it down to \$100,000.

Mr. Haste: Just so we keep the account active?

Mr. Yohe: Active and open. They confirmed there's going to be a one month Libor period there won't be any basis points on after that. We'll have a running total or track record for the next 8 months on what that is generating.

Mr. Hartwick: I hope they know they lost a lot of bucks.

Mr. Haste and Mr. DiFrancesco: Right.

Mr. Haste: Maybe they'll be aggressive next time.

Mr. Yohe: The Community Banks rate jumped significantly for July, well ahead of this. The average T-bill rate jumped up 15-20 points. I think we will be okay. I don't think we are going to see Sovereign even if they had 10 way outpacing any of the other three in the next 8 months.

Mr. Haste: Is there a motion to award the July 2006 to February of 2007 Investment Accounts to Graystone, Commerce and Community?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to award the July 2006 to February 2007 Investment Accounts to Graystone Bank, Commerce Bank and Community Banks. All were in favor. Motion carries.

Mr. Yohe: The third item today we have had our 20-day public inspection period for the FY06/07 Budget. Today is the day we advertised to approve that. I have a handout here for you. (Mr. Yohe distributed the information.) As I stated today is the day we advertised to approve the budget for the Dauphin County fiscal year, which would run July 1, 2006 through June 30, 2007. Again these funds operated on that year to coincide with the State where they get their primary funding and their reporting is required on that basis as well. Three weeks ago we went over this summary that I have here. Nothing has changed in that time period. I received no changes from anybody. The numbers are exactly the same. We are asking to approve in total a \$144, 687,844 budget for these 9 funds. This represents an increase of about 2.1% from the current FY05/06 budget. The second page is a summary of the county funds. Again there was a slight increase in county funds of 1.96%. There are no new positions in any of these 9 funds. The last two are just simply the breakdowns of where the money comes from and how it is spent. The primary function of these is we act as a pass-through for the state funds. Most of the services are provided by private entities outside the county. I don't know how much detail you want me to get into. Like I said I have no changes we just simply need a vote to approve this.

Mr. Haste: Is there a motion to approve?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve the FY06/07 budget. All were in favor. Motion carried.

Mr. Haste: I would just like to thank Sandy Moore and Sandy Pintarch for putting their heads together and lowering it the last time around and following up on what we had said.

Mr. Yohe: Exactly. Their budget is considerably lower than what we had gone over at the public hearing.

Mr. Hartwick: Let me state for the record that doesn't mean that is without risk.

Mr. Yohe: Exactly. Thank you.

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR

Mr. Saylor: Commissioners I have nothing to report at this time unless there are questions of me. (There were none.)

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

Mr. Tully: If I may make one clarification, Item Y on Matter's Requiring Board Action, has approval of purchase agreement, it should be approval of purchase agreements and related agreements. As you can see in your packet some of the things were taken

outside and are under separate documents. I just want that, when you vote on it, to include all of the related documents as well.

Mr. Haste: For where?

Mr. DiFrancesco: Item X? One of us has a different draft I think.

Mr. Haste: It would be for Item X. It would say "and related documents".

Mr. Hartwick: Is that the one we are going to pull?

Mr. DiFrancesco: Yes.

Mr. Haste: Anything else?

Mr. Tully: I apologize. I confused the two final agendas. I have nothing else to add, but would be happy to answer any questions.

Mr. Haste: Any questions? (There were none.)

MATTERS REQUIRING BOARD ACTION

Mr. Haste: We have Matters for Board Action. We have Items A through Y, we will pull Item X out separately. Are there any others that need to be pulled out? (There were none.) Is there a motion to approve Items A through Y, minus Item X?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve Matters Requiring Board Action Items A through Y, minus Item X. All were in favor. Motion carries.

Mr. Haste: Now we have Item X. Is there a motion to approve?

It was moved by Mr. DiFrancesco and seconded by Mr. Haste to approve Matters Requiring Board Action Item X, the purchase agreement and the related documents between Dauphin County and Continuum Care Holdings for Spring Creek Rehabilitation and Health Care Center in Harrisburg.

Mr. Haste: Discussion?

Mr. Hartwick: I would like to provide some comments. As you know we have worked very diligently and I believe this decision is much too important to let go by without some final comments and an update on what you called, Mr. Haste, a parallel track of two separate movements. One that includes the plan to sell and one that includes the report and efforts by a task force that we assembled several months ago in order to try and define a way to balance the needs of the taxpayers and keep the facility open for individuals who are in need in our community. I just want to let you know that it is not

too late to still support moving forward and maintaining and trying to keep Spring Creek under county ownership. We, in our plan, have seen significant progress. (Applause from the audience.)

Spring Creek's fundamental obligation and reason for its creation was to take care of our most vulnerable residents in the County. That was the guiding philosophy when Spring Creek was founded 120 years ago. We need to figure out a way to protect our taxpayers and to uphold our obligation to provide services to the frailest residents and that is what this task force was created to balance and I believe we have shown significant progress.

In front of me are the rules and regulations in the bulletin that has just been published by the Department of Public Welfare on the 24th of June that provides a county carve out for nursing homes starting July 1, 2006. That county carve out is going to result only for county nursing homes in significant new revenue and uphold the commitments and projections that were made in this plan to be able to provide significant new revenues, and to offset what is a very disproportionate way of reimbursing county run nursing homes for taking care of medical assistance patients, particularly those with low acuity. I think the fundamental problem has been the reimbursement rates have not kept up with the cost of care with those types of residents. This addresses that and provides significant new revenue to deal with that. It is significant progress. I also hold with me the remaining commitment from the County Commissioners Association in the amount of \$4.632 million that will be used to renovate the McBride Building and also offer opportunities to generate new revenue in order to offset some of the operating deficit. Lastly, I hold AFSCME Union concessions. I want to commend AFSCME for coming forward with concessions even though there may be some debate over the exact figures. I think it shows significant progress and their commitment to move in the right direction in order to maintain this facility and for the residents who need it the most in our community.

The path that Spring Creek has taken over the past several years has been a destructive, self-fulfilling prophecy that makes it almost impossible to keep Spring Creek under county ownership. It appears that all of the decisions that have been made have led us to the conclusion that there is no other option but a sale. With Spring Creek in the paper it becomes more and more challenging to find talented employees and qualified nurses to provide quality and cost effective care to seniors, and other long term care residents. Let's make no mistake about it, a required annual county contribution is not something new to Spring Creek. Since 1995, the county has contributed on average \$4.7 million per year out of our general fund to support the operation of the facility. We have a plan to reduce the general fund obligation to \$2.7 million. Over the past two years, we spent \$6.2 and \$8.9 million. By my calculations over the last year, that is a \$6.2 million dollar reduction from last year and also represents a real win for taxpayers. That reduction does not sound like a liberal idea. That number is a result of real planning and in my opinion, a significant win for taxpayers. An investment that in my opinion is worthwhile for seniors, who lived their lives in our county and have paid their taxes and are now in need of our care. This brings us to one fundamental point:

does County government have the obligation to take care of its most needy residents at a time where they may have nowhere else to turn? I believe that there is an obligation to care for our most vulnerable citizens. That is why we have worked diligently to provide a county nursing home for our residents for over a century. If we sell today, we can not make a promise next year, three years from now or 15 years from now when the agreement to maintain the facility as a nursing home runs out? I think there is still going to be a need.

The first area of concern I had and the main fundamental reason I have taken such a strong stance on this issue was the absence of hard statistics on the socio and economic demographics of our senior population. That population is expected to increase by at least 20% over the next four years from 53,200 to 70,000 residents. We have no real plan and no real understanding of what the real number is and what the true long term care needs of our senior population are in our county, particularly those who are on medical assistance.

Secondly, we need to ensure that future needs of the indigent population, who are in need of long term care in Dauphin County, are met. If not Spring Creek, where in the Human Service system will they receive long term skilled nursing? That question has yet to be answered.

We are all aware that Federal and State government have continued to place the responsibility for Health and Human Service care on the back of county taxpayers without accepting responsibility and funding for doing so. I don't envy my colleagues and our job as County Commissioners as we continue to battle to ensure that our citizens do not go without essential services, despite the financial shift in responsibility. This is the case especially with long term care and Medicaid and Medicare reimbursements. These reimbursements are provided to nursing home facilities from the federal and state level. Of course, these reimbursements do not keep pace with the cost of care for long term care, especially the indigent. That is the structural financial challenge to operating a county owned nursing home facility. The reimbursement methodology must change and will for county run homes. DPW will implement a county home carve out in July 2006. The Metropolitan Statistical Area peer groupings must disappear so the smaller sized county nursing homes are not penalized. Additional revenue must be generated through facility operations by increasing Medicare Part A revenue while improving billing and collections.

DPW as I mentioned just published a notice in the Pennsylvania Bulletin (6/24/06) indicating their intent to begin a new payment system on July 1, 2006. This proposal would separate county nursing homes from the rest of the nursing homes in Pennsylvania regarding payment for care of the indigent (Medicaid).

This proposal would include a better recognition of the costs incurred by county nursing homes and a mechanism to allow for increased reimbursements. This option would not be available to non-county nursing homes, and in fact, there would be a financial disincentive to private operators to serve some of the residents currently being cared for

at Spring Creek. Any new buyer will have to consider these potential new changes in the Medicaid payment system.

This is a major recognition on DPW's part that county nursing homes serve as the "safety net" for the most vulnerable residents in our community.

Another way to increase revenue would be to develop an outpatient therapy market and to conduct a needs assessment for long term care delivery adult day care services. It was suggested by Commissioner DiFrancesco, Mark Stewart and by our Task Force to decertify two floors of the McBride Towers, renovate them and fully lease those floors to produce a minimum of \$640,000 in annual rental revenue.

We have a revised budget that I have available as well and we had several things in our plan that needed to happen in order for it to be made a reality and they are as follows:

1. Annual Nursing expense savings from AFSCME of \$920,000
2. Annual Dietary expense savings of \$280,000 (10% of budget)
3. Annual Rental income realization of \$1,000,000
4. Medicaid revenue increase of \$19/day –
 - DSH - \$7/Medicaid day (\$700,000)
 - County Carve-out - \$3/Medicaid day (\$300,000)
 - Medicaid CMI Increase of 7% - \$9/Medicaid day (\$900,000)

In order to reduce county cost to operate this facility, dietary and nursing costs must drastically be reduced, additional Medicaid revenues and rental income must be realized, and collections from third party payers must be improved.

I have serious doubts that the buyer will be successfully able to operate this facility at a profit. They will have many of the same challenges as the county including: staffing issues, occupancy, payer mix and reimbursements.

I stand behind my position from the beginning that I want Spring Creek to remain a safety net for our most vulnerable residents. Many of whom have no where else to turn. This is what I believe in my heart and what I believe is morally correct. I want to make sure our most frail residents are taken care of and that my Mom and Dad have a place to go when they need it.

I have discussed this with many professionals in the nursing home industry who share many concerns about Continuum's ability to make this nursing home facility profitable in this market area. There is one promise that I can make today that in your quest to make this facility profitable in an extremely competitive for profit and non-profit environment, I will continue to serve as the watchdog that shines a light on you. I will fight to ensure that our residents aren't put in jeopardy in your quest to cut costs and make a profit. That commitment I will stand firmly behind. Thank you.

Mr. DiFrancesco: Basically I have been on record all along with my comments. The thing that I want to stress most today is in some manner this discussion and debate has been turned into one that is either for the people or for the money and that is not at all what it is about. It is about making sure that those services are available going forward and the very best way to do this is the way we do it in so many other cases in Human Services, and that is to contract out to a vendor who does it better than we do it. We talk about the frailest and the most vulnerable and I'll contend to you that the most frail and vulnerable also includes our Children and Youth population who basically are living through hell in some households. How we care for them is to put a caseworker in place and make sure the contracted services are giving them the highest quality of care. It is not different in this case.

What we have been able to do is certainly a lot of focus on the 15 year commitment but that is just a legal document. The commitment of this Board obviously is to make sure that we uphold the moral obligation that we have all embraced to make absolute certain that the care for these seniors and non-seniors who have needs for these services are available going into the future. That moral obligation does not go away with a sale. This Board is stepping out saying that the status quo, the way we always did things, doesn't work any more. There is a better way to do it. The services will be provided. They will be provided at a high quality and I assure you that not only will George be the Watchdog, but I assure you there are three Pit Bulls standing up here that will watch very closely. We have a partnership that will go forward and we have to make sure, as we do with every other contract that service is being provided at a high quality. We will have the full force of the county behind it and obviously we all know that the full force of the Commonwealth is not going to allow for a slacking of quality of care.

We have a good partnership in place that guarantees the services going forward and with that we also are respecting the taxpayers of Dauphin County in the fact that here are a lot of senior citizens out there and a lot of hard working families that can't afford to pay their property taxes. They cannot be ignored in this process. Throughout the entire process not one shred of hard evidence was offered to bring the sale into question at all. When you talk about the reputation of this company if you come up here and criticize it, you are basically criticizing it on propaganda that is out there with no basis in fact, regulatory backing, the evidence just is not there. This Board has said all along, we will respect the residents and make sure that the high quality is offered to them, but we will also respect our taxpayers. I will stress that there is no more significant burden on Dauphin County taxpayers right now than the absolutely inefficient operation of Spring Creek. I have every reason to believe, based on their track record, that this company will cut out the fat, put in higher standards, they will institute better operating procedures, better relationships, the quality of life of the residents will improve because that's what the facts show. We can sit here and protect our special interests all we want, but that doesn't help the taxpayers or the residents at Spring Creek. This Board has kept the focus on the residents, the families and the taxpayers.

Mr. Haste: Even though this has been heated at times I would like to commend my two colleagues for bringing the issue forward and having this debate. We have had meeting

after meeting where we have had people come in and make comments, either pro or con and I do think a public spirited debate was a good thing in the process. I commend everybody for this. I'd also at this time like to commend the team that did the research for us and got a lot of the facts. I'd like to thank George's task force as well. Most of those folks, who are friends of mine as well, even though George spear-headed it I got a lot of input from them as well. I would like to thank them for their service in this. To use a phrase I get criticized for using, at the end of the day, I do think we will continue to move the county forward whether folks agree or disagree with the decisions made I do think this Board will stay committed to making sure that our residents are taken care of, those who pay taxes and those who are unable to pay taxes, I think that is our wish.

There has been a motion and a second. All those in favor say aye.

Mr. DiFrancesco--aye. Mr. Haste—aye. Mr. Hartwick—opposed. Motion carries, 2-1.

- A. Training Packet
- B. Approval of FY05/06 & FY06/07 Per Diem Rates between Children & Youth Agency and:
(per distributed list)
 - 1. Devereux – FY05/06
 - 2. Valley Youth House – FY05/06
 - 3. Keystone Children & Family Services, Inc. – FY05/06
 - 4. Community Action Commission – FY05/06
 - 5. Family Support of Central Pennsylvania – FY05/06
 - 6. Halifax United Methodist Church – FY05/06
 - 7. YMCA-Northern Dauphin County Branch – FY05/06
 - 8. Cornell Abraxas Group, Inc.
 - 9. White Deer Run, Inc., dba Cove PREP
 - 10. Bethany Home, Inc.
 - 11. Windsor Pointe, Inc.
 - 12. Philhaven
 - 13. Kidspeace National Center, Inc.
 - 14. Pinnacle Health Hospital – Women's & Children's Services
 - 15. Family Service Partners
 - 16. ParentWorks
 - 17. Keystone Children & Family Services, Inc.
 - 18. Kendu Corporation
 - 19. Ramona Thompson
 - 20. There's Room in the Inn
 - 21. Adelphoi Village, Inc.
 - 22. Three Rivers Adoption Council
 - 23. Devereux
 - 24. Clear Vision
 - 25. Specialized Treatment Services, Inc.
 - 26. Concern Professional Services for Children, Youth & Families
 - 27. Families United Network, Inc.
 - 28. Heritage for Kids
- C. Satisfaction Pieces with the following individuals:
 - 1. James & Hollie Hairston for property located at 883 Highland St.,

- Oberlin.
2. Eileen M. Steinecke for property located at 2440 Derry St., Harrisburg.
- D. Subordination Agreements for the following individuals:
1. Dana M. Ross aka Dana M. Royster for property located at 3005 Derry St., Harrisburg.
 2. Megan Albert for property located at 147 S. 4th St., Steelton.
- E. Lease Contract for 34 personal computers and 15 table PC's from HP Financial Services for 36 months for \$50,714.68 for Information Technology.
- F. Hospital Services Agreement between PrimeCare Medical, Inc. and Pennacle Health Systems and Dauphin County Prison.
- G. Approval of Account Registration Form for Bond Issue between Dauphin County and Pennsylvania Local Government Investment Fund (PLGIT).
- H. Approval of the FY06/07 Weatherization Work Plan to be submitted to the PA Dept. of Community & Economic Development.
- I. Community Development Block Grant (CDBG) Subrecipient Agreements between Dauphin County and the following:
1. Williamstown Borough – replacement of raw watermain Phase II in the amt. of \$145,000.
 2. Dauphin County Planning Commission Part I – Dauphin County Comprehensive Plan and Model Zoning, subdivision & land development guide, in the amt. of \$15,314.
 3. Halifax Borough Part I – watermain replacement, sewer rehabilitation, curb and sidewalk replacement and street pavement along Front St., in the amt. of \$120,000.
 4. Lower Paxton Township Part I – construction of an addition to Friendship Senior Center, in the amt. of \$90,000.
 5. The Community First Fund Part I – Small Business Development Program, in the amt. of \$50,000.
 6. Paxtang Borough Part I – Prepare Comprehensive & Downtown Revitalization Plan, in the amt. of \$25,000.
 7. Berrysburg Borough Part I – Engineering & construction of a headworks facility at sewage treatment plants, in the amt. of \$145,000.
 8. Lykens Borough Part I – Germantown Waterline replacement – Phase IIIC, in the amt. of \$190,000.
 9. Lykens Borough Part I – demolition and clearance of a vacant dilapidated structure at 407 and 409 Market St., in the amt. of \$38,000.
- J. Agreement between Spring Creek Rehabilitation & Health Care Center and Philhaven for psychiatric services for residents at Spring Creek.
- K. Lease Contract between Dauphin County Information Technology and M&T Bank for Dauphin County Print Shop equipment upgrades for 33 months, beginning June 15, 2006 – March 15, 2009 in the amt. of \$48,483.01.
- L. Transportation Services Agreement between Spring Creek Rehabilitation & Health Care Center and the Susquehanna Township Emergency Medical Services,

Inc.

- M. Geographic Information System Technology License between Dauphin County and Telzyn Solutions.
- N. Professional Appraisal Services Agreement between Dauphin County Human Services Director's Office and Jeffrey L. Waters.
- O. Purchase of Service Agreement for FY06/07 between Dauphin County Area Agency on Aging and Widener University School of Law.
- P. Adoption Assistance Agreement #2006-20.
- Q. Amendments to FY05/06 Purchase of Service Agreements between Children & Agency and:
 - 1. Halifax United Methodist Church - #1
 - 2. YMCA – Northern Dauphin County Branch - #1
 - 3. Parents Anonymous of Central Pennsylvania, Inc. - #1
 - 4. Community Action Commission - #1
 - 5. Cornell Abraxas Group, Inc. - #2
 - 6. Specialized Treatment Services, Inc. - #1
- R. Purchase of Service Agreements for FY05/06 & FY06/07 between Children & Youth Agency and:
 - 1. St. Michael's School, Inc.
 - 2. Delaware Valley Mental Health Foundation, Inc., t/d/b/a Foundation Behavioral Health FY05/06
 - 3. Delaware Valley Mental Health Foundation, Inc., t/d/b/a Foundation Behavioral Health FY06/07
 - 4. Community Services Group, Inc.
 - 5. Family Support of Central Pennsylvania, Inc.
 - 6. Life Management Associates Systems Group, Inc.
 - 7. National Mentor Healthcare, Inc.
 - 8. Ramona Thompson
- S. Purchase of Service Agreements for FY06/07 between Mental Health/Mental Retardation and:
 - 1. Consumer Satisfaction Services
 - 2. TMB Developmental Therapy & Infant Massage
 - 3. Commonwealth of Pennsylvania, Department of Public Welfare, Work Advancement Center
 - 4. Debra A. Ziegler, OTR/L
 - 5. Aurora Social Rehabilitation Services
 - 6. Kelly L. Rice OTR/L t/d/b/a Sovia Therapy
 - 7. Visiting Nurse Association of Central Pennsylvania, Inc.
 - 8. PMHCC, Inc
 - 9. Patch-N-Match
 - 10. Paxton Ministries
 - 11. Easter Seals of South Central PA
 - 12. NAMI Pennsylvania
 - 13. Melissa Moore Anderson, PT.
 - 14. Wyoming Valley Professional Ambulance Company, Inc.
 - 15. Emily Player, M.S., CCC-SLP

16. Ho-Thanh Nguyen
 17. Healthsouth Rehabilitation of Mechanicsburg
 18. Diana T. Myers & Associates, Inc.
- T. Human Services Development Fund (HSDF) Agreements FY06/07 between the Human Services Director's Office and:
1. CONTACT Helpline
 2. Shalom House
 3. The PROGRAM for Female Offenders, Inc.
 4. YWCA of Greater Harrisburg
 5. Catholic Charities
 6. Family Service Partners
 7. Family Service Partners
 8. United Cerebral Palsy of Central PA, Inc.
 9. Center for Independent Living
 10. Addus Healthcare, Inc
 11. Christian Churches United
 12. Upper Dauphin Human Services Center, Inc.
 13. Dauphin County Executive Commission on Drugs and Alcohol, Inc.
 14. Cumberland – Dauphin – Harrisburg Transit Authority t/d/b/a Capital Area Transit
- U. Amendment #2 to a SCA Grant Agreement between Dauphin County and the Commonwealth of Pennsylvania Department of Health.
- V. Exonerate/strike property taxes in the amount of \$110.95 to Property Management, Inc., for Mobile Home – 10 Oak Knoll Estates, parcel #22-013-026-010-0259.
- W. Contract with Attorney Robert G. Radebach to search title to land being subdivided by County.
- X. Approval of the Purchase Agreements and related documents between Dauphin County and Continuum Care Holdings, Inc. for Spring Creek Rehabilitation and Healthcare Center in Harrisburg, PA.
- Y. Adoption of Resolution No. 15-2006 – Disaster Declaration.

FORMER BUSINESS

(There was none.)

NEW BUSINESS

(There was none.)

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. Haste: Any comments by the Board?

Mr. DiFrancesco: I have two issues, one of which very simply put, we are asked constantly as events happen across this nation why we believe that Dauphin County is so well equipped to deal with crisis when it happens. I think it is important to stress

today because of the unpredictable nature of the emergency environment that yesterday the predictions were coming in that the river would crest at 17' and then last night it was 25', which would have wreaked real havoc on this area. Now today we wake up to find that those have been downgraded once again. I think the important thing to note is that when it was predicted to go to 25' our, and when I say our great people kick-in to action, I'm not just talking about the county people, but also the Police Officers, the volunteer Fire Fighters and the people out in our community that said in the next 12-24 hours we are going to have a significant crisis. Where you find the real value of our emergency management in Dauphin County is the fact that we have so many good and qualified individuals who are so ready to give in times of need. While the crisis at least for now is predicted to pass I think it is important to note that the reason why we are so good is because we plan so well and our plans do get tested. We saw last year what happens when you ignore the possible worst case scenario and a lot of people in New Orleans ignored it, they stayed behind and they died. Here we wanted to make certain that people knew the minute we got the message from the weather service that the river was going to 25' that we gave people plenty of time to prepare, pack for it, get out if they needed and thank God today that we don't have to do that. I think it is important to note that meteorology is not a precise science and we've got to do our best to make sure that we respond when we get good and accurate information. We lucked out and that is great but everybody did a great job over the last 24 hours.

The second issue I want to bring up is that I am very disappointed. I am going to share my disappointment that this morning the Susquehanna Area Regional Airport Authority did vote to appeal the parking tax ruling from Judge Clark's courtroom. Again we have this great community asset that continues to enforce bad neighbor policies. Basically what the airport authority said today was that in fact the law has been upheld, that they are obliged to collect tax on the part of the school district, which in fact helps our property owners locally. This takes some of the burden off of our property taxes when they can spread that out through other ways, which is the core and center of what property tax reform is all about. This entity once again decides to say to the local community in which it sits that we don't care we're going to find a way to get out of this burden. The arguments that they put up to me so far are without merit. They will pay attorneys a lot of money in order to fight this case and yet the law will be upheld. It is unfortunate that once again they are instead of sitting down with their neighbors and acting in a decent fashion they chose the path to fight the local school district. I have read their press release and again it is a sad statement. Time and again they have proven to the local communities that they have no loyalty and no commitment back to central Pennsylvania and yet they continue to ask for our loyalty that we should spend hundreds of dollars in excess of what we can get at other airports. While I agree that this is an important community asset the law allows for this tax to be collected and it is a way that we can protect our homeowners. The gentlemen and ladies sitting around the board room thought it was more important to pay attorneys than it was to take care of the neighborhood. It is unfortunate in order to gain customer loyalty you have to give loyalty to your customers, that's not being done. Right now the environment is such that they cannot compete for business straight out because their prices are too high. They can compete for customer loyalty because all of us love the fact that we have an airport

sitting in our backyard. We all want to support that airport, but we are tired of having to fight because there is real impact on our communities that is not being acknowledged by the SARAA Board.

The airport in and of itself does not pay property taxes and I understand the reasons why, I am not advocating that they would, but again that is property and services being provided to them of which they are not willing to shoulder their responsibility, which is clearly a responsibility, it is not a new thing, it is a tax under the law currently in existence that the school has every right to collect.

Again, the property owners in their area will suffer because they chose to pay attorneys rather than doing the right thing. Thank you.

Mr. Haste: Any other comments? (There were none.)

CORRESPONDENCE

Mr. Haste: We have correspondence received by the Board Items A through G that will be handled by the staff appropriately.

- A. Notification from Ron Kopp indicating he intends to apply to DEP for a General Permit (GP-6) for installation of agricultural stream crossing on his property located at Colebrook Road in Londonderry Township.
- B. Notification from Haines & Kibblehouse, Inc., indicating they intend to apply to DEP for an air quality permit for the use of On-Specification Recycled Fuel Oil as an alternate fuel for the dryer burner.
- C. Received a memo that was sent to all construction engineers, plan designers, and developers from the Dauphin County Conservation indicating a revision of rules, guidelines and fee schedule for erosion and sediment pollution control.
- D. Notification from Light-Heigel & Associates, Inc., on behalf of the Spring Creek Golf Course, indicating they intend to apply to DEP for a General Permit GP-11 for maintenance, testing, repair, rehabilitation, or replacement of water obstructions and encroachments.
- E. Notification from Michael Baker, Jr., Inc., on behalf of the Pennsylvania Department of Transportation, indicating they intend to apply to DEP for an erosion and sediment control permit for the replacement of the Bachmanville Bridge located in Derry Township, Dauphin County.
- F. Notification from Evans Engineering, Inc., indicating they intend to renew a joint permit for the filling of a deminimus amount wetlands located on the Robert J. Fried Hershey Road Commercial Site, West Hanover Township.
- G. Notification from Alpha Consulting Engineers, Inc., indicating they intend to apply to DEP for a General NPDES Permit for stormwater discharges associated with construction activities for the Cornerstone Development Group, Kings Pointe, Lower Paxton Township.

PUBLIC PARTICIPATION

Ms. Heh: My name is Judy Heh and I am the Director for AFSCME District Council 90, representing the employees who work at Spring Creek. It's been a long uphill battle trying to preserve Spring Creek as a county-owned facility. We haven't had an opportunity to review all of the documents yet but I do have a couple of questions. Number one, the facility is being sold for \$15 million, is that correct? \$12.5 million immediately and \$2.5 million in 2009, is that correct?

Mr. DiFrancesco: Correct.

Ms. Heh: Is this an interest free loan?

Mr. Haste: There is no loan.

Ms. Heh: I'm not sure about the delayed payment in 2009.

Mr. DiFrancesco: It is just the way the deal was structured.

Ms. Heh: Okay. What assurances do you have that the \$2.5 will be paid?

Mr. Haste: It will be put into an interest bearing escrow account.

Ms. Heh: Okay. Because four nursing homes in this area have closed in the past three or four years, do you plan to put the \$12.5 million in some kind of reserve in the event that the buyer cannot sustain a profit at this nursing home?

Mr. Haste: No.

Ms. Heh: I was looking and we haven't had a chance to review the documents but one particular paragraph in the obvious purchase agreement concerns me very deeply. It is on page 15 and it says, "after the expiration of the 5th anniversary of the closing date in the event there occurs any economic competitive or regulatory changes which in the reasonable judgment of the buyer having an adverse affect on the buyers ability to operate the nursing home in a profitable fashion, buyer shall have the right from time to time to propose amendments or modifications to the restrictive covenant set forth in the section 8.4 and/or to propose the termination of one or more restrictions subject to the written consent of the seller which consent shall not unreasonably be withheld. Condition or delayed in which consent shall be deemed granted if the same shall not have objected to within 20 days from the date such notice is received by the seller." I would ask you what kind of protection is that for the taxpayers of Dauphin County?

Mr. Saylor: Which paragraph did you read from?

Ms. Heh: It is on page 15.

Mr. Haste: What paragraph?

Ms. Heh: F. That should set off an alarm and should give everyone a great deal of concern. This afternoon we will be requesting a number of documents from you for our attorneys to review. You've known that we have opposed this sale and we are deeply concerned just not with the action you thought was necessary, but what our society is doing to the most vulnerable of our citizens. We have an obligation to provide for prisoners, but not for the poor and vulnerable seniors and those who can't take care of themselves in our society. The fight will go on and hopefully from time to time we will probably have other issues and we hope that this is watched very carefully. I know a number of organizations will be watching. Our employees, many who have given ten, twenty or thirty years of dedicated service you all know that they are not highly paid and they feel such a commitment to the residents. I know that they have been demoralized by this prospect and I hope that there is some way that we can work together for the good and welfare of both the residents and our employees at the home. With that I would thank you very much and I will be notifying you with the documents. We're just getting a chance to look at the agreement.

I would suggest that you review this paragraph. It seems as it is not in the best interest of Dauphin County. Thank you very much.

Mr. Hartwick: That's a good catch; I read this whole thing last night. I didn't see that.

Ms. Schwonger: Good morning my name is Mary Schwonger I am the President of the Harrisburg Region Central Labor Council. I am here today to speak again on the same issue that Judy addressed and that's the issue of the First Right of Refusal. Although we have been opposed to the sale of the nursing home we would like, in light of the four nursing homes or rehabilitation centers that have closed we would like to see a commitment from the county to plan for the possibility that this new owner will not be successful and that there is a real effort if this facility is not successful for the county to return this facility to county ownership. We are very concerned that the language with the 15 years and then again the language that Judy read to you that there is not a real responsibility to return this to county ownership if this owner fails. We would like you to create a financial plan in light of the county's finances to be able to return it to county ownership if this private for-profit owner cannot make this facility work. Thank you.

Mr. Haste: Thank you.

Ms. Bonner: Veeta Bonner local 2063. When the three of you were running for Commissioner and you stated you were for hard work and families and that you would do everything you could to help the working class and because you made that statement I voted for you. I even went door-to-door-to-door for the three of you. I asked everyone to vote for the three of you, Hartwick, DiFrancesco and Haste because of that statement. It is apparent today that the two of you don't keep your promises. Hartwick, I commend you for keeping your promise and voting no. I also want to remind you that the very people that you just voted to sell Spring Creek that would lose their jobs those

are the very people that endorsed you two. That's their hard earned money that they gave to you based on you saying that you would help them when they needed you, which again apparently you don't keep your promises. The other question I have is for the residents that are going to be displaced from Spring Creek.

Mr. DiFrancesco: There are no residents going to be displaced from Spring Creek, that's an outrageous untruth.

Ms. Bonner: When you said the number of beds would go from four hundred and something to two hundred and something...

Mr. Haste: No, someone else stated that.

Mr. DiFrancesco: That is correct.

Ms. Bonner: You corrected the number that she said.

Mr. DiFrancesco: The size of the facility is 308 right now. That is the size of the facility.

Ms. Bonner: So you are saying none of the residents at Spring Creek will be displaced? All residents will stay there?

Mr. DiFrancesco: Absolutely none will be displaced. There are going to be more beds available, or a comparable amount of beds available, to the residents that we are talking about, the poor and indigent medical assistance residents.

Ms. Bonner: What about the workers? The workers that are there?

Mr. DiFrancesco: The jobs stay. The jobs all stay. The challenge and the problem that I am having with what you are saying is that we are keeping our promises because you are qualifying hard working families as AFSCME members only.

Ms. Bonner: No I am not, I never said that.

Mr. DiFrancesco: The only people that are adversely affected by this potentially would be the membership of AFSCME. The jobs stay, which was one of the high priorities we decided to focus on.

Ms. Bonner: Listen I don't care if they are not with AFSCME.

Mr. DiFrancesco: You do.

Ms. Bonner: Would you listen to me?

Mr. DiFrancesco: I will.

Ms. Bonner: Just listen to me. I don't care who ever, they could be fair share which is not AFSCME, I would still fight for them.

Mr. DiFrancesco: And the jobs are there. We fought to keep those jobs.

Ms. Bonner: So you are saying that none of the members or the workers at Spring Creek will lose their positions, that is what you are saying?

Mr. DiFrancesco: That will be based upon whether or not they are rehired by the company. I can assure you that in this job market any good employee will be rehired.

Ms. Bonner: So back to what I said. You are saying to me that some people will be displaced. That's what I am hearing. Again, I just want to remind you of the promise that you made. You didn't have any problem taking the endorsement.

Mr. DiFrancesco: I believe I didn't get the endorsement.

Ms. Bonner: You didn't have a problem taking the endorsement, and...

Mr. DiFrancesco: We can talk about that afterwards I'd be curious to see that.

Ms. Bonner: So none of the residents will be displaced, correct?

Mr. Haste: Right.

Ms. Bonner: So none of the residents will be displaced, is that right.

Mr. Haste: Right.

Ms. Bonner: The original answer was none of the employees would be displaced, but now it's if the company decides to keep them.

Mr. DiFrancesco: Could you say that again, I'm sorry.

Ms. Bonner: I said originally you stated that none of the employees would be displaced at first and then you changed it and said it's if the new company wants to keep the good employees.

Mr. DiFrancesco: Actually I said all of the jobs would remain which all of the jobs will remain.

Ms. Bonner: I know but I said about the Spring Creek employees right now, that's my question. Not about the jobs just the people that are currently there like the nurses that are here and the food service workers are their jobs still there, but then you changed it and said it's if the new company wants to hire the good people.

Mr. DiFrancesco: It's going to be a decision of the new company.

Ms. Bonner: Is it, is it, okay, is the new company here are they present today?

Ms. Heh: We understand there are no guarantees.

Ms. Bonner: Is there anyone here from the new company so that I can ask them that question?

Mr. DiFrancesco: I'd be happy to agree with you that there is no guarantee, but I'm telling you that in this job market we all know how tough it is to find employees

Ms. Heh: At market wages.

Mr. DiFrancesco: You are right at market wages. It is very tough to find and lure people in because it is a very difficult job.

Ms. Bonner: Okay so we'll check on that. So the residents will stay and I guess you are going to set up a meeting so I can ask the new group about the positions for the workers at Spring Creek to make sure that their positions will stay there, whether they are good or bad.

Mr. DiFrancesco: I would assume that the union that represents you will be communicating with the new owners and if you choose to do that as well, that's your prerogative.

Ms. Bonner: Okay, I just want to make sure you remember this when you run next year I will still continue to go door-to-door for the two of you, but it will not be to endorse you or vote for you it will be to release you. I will go door-to-door for you (directed at Mr. Hartwick) and I will ask that they endorse you and vote for you. Thank you.

Ms. Trowbridge: My name is Carolyn Trowbridge and I live in Tucson, Arizona and I am losing my voice. I live in the dessert and when I come here to where it is nice and damp and green and beautiful and I am allergic to it, so I am sorry. It doesn't mean I won't be back. Good morning Chairman Haste and Mr. DiFrancesco and Mr. Hartwick. I would first like to thank Mr. Hartwick for his statement. It was a very resounding statement about the responsibilities of public servants to the people that they serve. Mr. DiFrancesco I am actually very sorry that you think that Mr. Brouse, a man in his 80's who traveled all the way from Tucson, AZ to talk about the death of his wife in an Ensign facility, and think he lied.

Mr. DiFrancesco: It wasn't in an Ensign facility.

Ms. Trowbridge: You think he lied. They harmed her. They harmed her. They harmed her. They harmed her. He knows it. Everybody knows it.

Mr. DiFrancesco: No, not everybody does know it. The regulators don't know it.

Ms. Trowbridge: Excuse me, I'm lying?

Mr. DiFrancesco: I am not calling you a liar.

Ms. Trowbridge: You're calling Mr. Brouse a liar. He came here to tell you.

Mr. DiFrancesco: I had a very nice conversation with him after the meeting.

Ms. Trowbridge: Oh really and he thought that you were actually listening to him.

Mr. DiFrancesco: I was.

Ms. Trowbridge: Apparently not.

Mr. DiFrancesco: A lot of our investigative time was surrounding the allegations placed against the company. Yet you cannot stand here and show me a lawsuit, a regulator comment or anything against the company. This is a highly regulated industry. When the things that you talk about are true, they show up on regulatory reports.

Ms. Trowbridge: I'm sorry Mr. DiFrancesco, I'm sorry, I'm very upset actually because have you ever had someone that you lived with and loved for 23 years or 50 years or 40 years die?

Mr. DiFrancesco: Yes.

Ms. Trowbridge: Okay.

Mr. DiFrancesco: In a facility as a matter of fact.

Ms. Trowbridge: And were there problems with that facility? Was there medical negligence in that facility? Did you run off to the state and talk about the bad things that made you saddest and hurt you the most?

Mr. DiFrancesco: I certainly would have if there had been something. Yes.

Ms. Trowbridge: Sometimes it is harder if you are in your 80's.

Mr. DiFrancesco: I think you would have.

Ms. Trowbridge: Well that's why I am here, I like to go right to the top and talk about issues. I don't really want to go back and tell Mr. Brouse that you totally disregarded him because I feel you did.

Mr. DiFrancesco: Well that would be inaccurate, but go ahead.

Ms. Trowbridge: Alright. Now that you have made this commitment I hope you really are honestly committed to doing that oversight that you are talking about, to actually dog the Ensign Group/Continuum to be ever vigilant. The people of Dauphin County need you to exercise your power and your duty to protect the most vulnerable citizens. The thing is Ensign doesn't like the bright light of day, they really don't, that's why Nursing Home Watch exists. That's why these watchdog groups exist. Sometimes it is very hard to pry these facts, pry the stories of the residents out and bring them to the attention of the state regulatory agencies and to the public. That is what my job is. I also think it is unfair and someone duplicitous to use a comparison to turn groups against each other, children and youth against elderly people, disabled people, which you did in your statement about who can get the help. You are talking about the money, you are talking about taxpayer available money and there are kids that need to be taken care of. You need to hire or should hire and you have hired case managers to organize the contracted out services. There's a big problem in this country with elected officials turning their backs on the populations that they actually swear to serve. It is happening in my state, it's happening in your state, and I just saw it happen here. It is a trend, a fad, and it is rapidly coming apart because these private company corporations like Ensign and Continuum are here for a quick profit. They aren't in it for the long haul. You are apparently in it for the long haul. We are going to be here. Nursing Home Watch is going to be here in some form or another because we want to keep an eye on the Ensign that we know and obviously don't love. The Ensign that cuts staff, that cuts food for patients, that cuts money, that cuts pay, that cuts employees, the Ensign that does profit share but only with a few select people and not with the CNA's who are the backbone of the facility. The Ensign group who presents a very pious public face but it's not the same face that is seen in the hallways of their many homes. Nursing Home Watch will be watching Ensign. Nursing Home Watch will be watching you. The people of Dauphin County will be watching you. Nursing Home Watch will be acting like a dog with its favorite chew bone, won't let it out of its site. In fact I had some suggestions for some more colorful metaphors but that one will do. The people of Dauphin County the workers, the residents and the families will be watching like a pack of bird dogs. Every complaint, every violation, every family in pain because of unnecessary suffering and death, you will hear about them, the State will hear about them and we will be watching you.

Mr. Haste: Thank you.

ADJOURNMENT

Mr. Haste: Just a reminder to everybody that we will be going into Retirement Board, it says immediately following the Commissioners' Meeting, but we will give a 10 minute break so at 11:35 we will be going into Retirement Board.

Is there a motion to adjourn?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to adjourn the meeting. All were in favor. Motion carries.

Respectfully submitted,

Chad Saylor
Chief Clerk/Chief of Staff

Transcribed by: J. Wolgemuth

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