



DAUPHIN COUNTY BOARD OF COMMISSIONERS

Legislative Meeting

Wednesday, August 30, 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; Bob Dick, Treasurer; Gary Serhan, Controller's Office; Randy Baratucci, Purchasing Director; Carolyn Thompson, Court Administrator; Scott Burford, Spring Creek Administrator; Faye Fisher, Personnel Director; Sandy Parrish, Personnel; Tom Guenther, IT Director; Mike Yohe, Budget Director; Leila McAdoo, Solicitor's Office; Dave Schreiber, Personnel; Sharon Way, Personnel; Kay Sinner, Personnel; Diane McNaughton, Press Secretary; Julia Nace, Assistance Chief Clerk; Skip Memmi, DCED; Greg Schneider, Budget and Finance; Lena Martinez, Commissioners' Office, Richie Martz, Commissioners' Office and Jena Wolgemuth, Commissioners' Office.

GUESTS PRESENT

Garry Lenton, Patriot-News; Suzanne Cassel, Highmark; Mike Fiaschetti, Highmark; Michael McGee, Highmark; Michael Scheib, Highmark; Charles Hooker, Keystone Health Services; Diana Guluyeva; Svetlana Curilov; Vladimir Morozov and Anastasiya Konovalova

MINUTES

CALL TO ORDER

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

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have the August 9, 2006 Workshop and the August 16, 2006 Legislative Meeting minutes. Is there a motion to approve?

It was moved by Mr. Hartwick and seconded by Mr. Haste to approve the August 9, 2006 Workshop and the August 16, 2006 Legislative Meeting minutes. Motion carries.

Mr. Haste: We have the August 16, 2006 Salary Board Meeting minutes. Is there a motion to approve?

It was moved by Mr. Hartwick and seconded by Mr. Serhan to approve the August 16, 2006 Salary Board Meeting minutes. Motion carries.

Mr. Haste: We also have the August 9, 2006 Election Board Meeting minutes. Is there a motion to approve?

It was moved by Mr. Hartwick and seconded by Mr. Haste to approve the August 9, 2006 Election Board Meeting minutes. Motion carried.

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Saylor: Commissioners as you know we met once in Executive Session to discuss some personnel matters and that was on the 23rd of August.

PUBLIC PARTICIPATION

Mr. Hartwick: It is my pleasure today to welcome some guests that we have in the audience and accompanying them is Charlie Hooker from Keystone Health and Human Services. I am going to give an attempt at saying their names for the record as well. We have with us today from Russia as a result of the Baslan school massacre to find out about different health and human service systems here in the United States. Also to train under some psychologists and other health and human service professionals here in the United States to take and translate some of the things they have learned here back to their home country. With that we have Diana Guluyeva, Svetlana Curilov, Vladimir Morozov and Anastasiya Konovalova. Welcome.

Mr. Hooker: Thank you Commissioner Hartwick and thank you Commissioner Haste for allowing us to come here and say hello to the Dauphin County Commissioners. As my friends in Russia would say Commissioner Hartwick, Очень хороший, in other words very good in terms of the pronunciations.

The delegates that are with us are through the U.S. Department of Commerce program called the Special American Business Internship Training Program. It is a program that started many years ago and used to be called the Soviet American Business Internship Training Program. That gives you an idea of how old it is. The idea is to have young leaders in Russia and CIS countries such as Moldova come to the United States and train and learn about our systems. We saw this many years ago, Keystone Human Services did, that many business leaders were coming to the United States for training. People in business and industry, etc. were being trained and we wondered why couldn't we do this with Human Service professionals. What better place to have them come than Dauphin County with a strong array of Human Services available to people and the vulnerable population in this country.

Of the group that is here today Diana Guluyeva is a child psychiatrist. She is from Vladivostok, which is north of Sedia, which is part of the north Caucasus region. Most people know about the north caucuses region because it includes Chechnya and it also includes Beslan, in which the massacre took place approximately 2 years ago. Diana is a child psychologist and has had the opportunity and we are honored by her being here because she has worked with many of the families and children who survived that attack.

Secondly, one of our delegates from Moscow, Vladimir Morozov is a trainer and a psychologist. Vladimir trained and worked in groups with a number of survivors from the Beslan attack at school number 1, particularly with 11th graders who were struggling with the issues of why me, why did I survive, why did I get out when my brother or sister did not? It is a very difficult time for that part of the country and we're actually pleased to be the recipient of a grant from the United States Agency for International Development to actually provide mental health services within that region. We just started that grant effective June 30, 2006.

Also with the group is Svetlana Curilov. Svetlana is a special educator and works with children with disabilities in a wonderful program in Chisinau, Moldova, which is the capital of Moldova. It is wonderful work that they are doing working with children with disabilities and what we have just really enjoyed is the back and forth exchange of information about the wonderful work that is done here for young children with disabilities and the work that she is doing in Moldova with children with disabilities. It has been a great exchange.

Last but certainly not least is the newest addition to our project, Anastasiya Konovalova. Anastasiya is very young. She is 19 years old. We think that she is 28 or 29 because of her maturity and wisdom. She is a student at the Russian-American Christian University in Moscow and is a resident of Evanova and is very interested in working with young

children in orphanages, particularly those with difficult behavioral problems. They are here with us for 13 weeks. We have already had them for about 11 ½ of those 13 and they will be going back to Russia and Moldova, respectively, on September 7, 2006. I wanted them to have an opportunity to meet the Commissioners and understand how the county government works. This is part of their education program being here in the United States.

Mr. Haste: Thanks Charlie. Would any of you like to come forward and say anything?

Ms. Konovalova: Hello, it is nice to meet you. I am Anastasiya who is the youngest one. I would like to say, on behalf of our group, how honored and lucky we are to be participants in this program. What we saw here at Keystone in particular just amazed us. I think we have learned a lot that we can take back to our countries and teach other people in our countries what service can be provided for people with different disabilities. In our country it is a huge struggle and a lot of people do need these services although they do not receive them. We would like to thank Keystone for having us and thank you for having us here too. It is very interesting to see your work.

Mr. Haste: Could I ask you a question?

Ms. Konovalova: Yes sir.

Mr. Haste: If you could give us a bit of advice what would you tell us?

Ms. Konovalova: Support Keystone Health Services.

Mr. Haste: Thank you.

DEPARTMENT DIRECTORS/GUESTS

A. Michael Fiaschetti, Sr. Vice-President, Susan Cassel, Senior Client Manager, and Michael Scheib, Underwriting Manager from Highmark

1. Presentation of proposed Highmark Plan for County of Dauphin.

Mr. Fiaschetti: Good morning Commissioners. My name is Mike Fiaschetti and I am Senior Vice President with Highmark Blue Shield. To my left is Michael McGee who is Vice President of Sales and Marketing for Highmark Blue Shield. Mike was not originally going to be here because he was on crutches, but he is off those crutches I'm happy to report, but still in a cast. That is why he is here with me today and I'm glad to have him with me. Also I have Suzanne Cassel our Senior Client Manager who is responsible for the Dauphin County account and Michael Scheib our underwriting manager who is with us today who is familiar with a lot of the information.

What I want to present today to the county is some utilization information about the county's health benefits plan for it's employees and then to talk very briefly about the

aggregate costs for the Spring Creek facility, which we were asked to comment on. I will do that. I will go quickly but please stop me if there are any questions.

The first thing you have in front of you is a chart on in-patient utilization. What we do is develop rates of utilization to make these numbers meaningful. These are basically the number of people admitted to a hospital from your population. We then convert that to a per 1,000 rate. If we didn't it would look like .0000 something. It makes these numbers meaningful. This is per 1,000 covered lives annualized.

Mr. Haste: So these aren't actual numbers?

Mr. Fiaschetti: No these are actual numbers for your population, but they are converted to a rate. If you take all the people from Dauphin County who were admitted to the hospital and then what you do is multiply that by 1,000 and then annualize that, so times 12. That is how we come up with that number.

Mr. Haste: So somebody can't look at this and say we had 78 people hospitalized.

Mr. Fiaschetti: That's right. This is 78 per 1,000 enrollees in a year.

Mr. Haste: How many enrollees do we have right now?

Mr. Fiaschetti: Right now I believe you are right around 1,600 employees. When you add dependents it is over 3,000. You are covering around 3,000.

Mr. Haste: Do you use the 3,000 number?

Mr. Fiaschetti: The 3,000 number. This is for every covered employee and dependent.

What we want to show are the trends in your utilization. If you look at this graph we have the years 2003 through June of 2006. Admittedly the year 2006 is what we call incomplete because it is only 6 months of data and there is very little run-out in there. Not a lot of additional claims after the month of June. Also, the first 6 months of the year tend to be higher in utilization because seasonally many people wait until after the holidays to have elective surgeries and things. Typically we see higher utilization in January, February and March. That is why you really need a whole years data to have reasonable utilization statistics. We wanted to show you where you were going directionally.

If you look at the first page on in-patient admissions per 1,000 our normative data is the red line on the page. That is 70 per 1,000. If you take Highmark's entire population of people that we cover in this region in Central PA which is over 500,000 people we average 70 admissions per 1,000 people. The county in 2005 had 80 admissions through June of 2006, 78. Those are down from a high of 81 in 2004. It is trending ever so slowly downward in terms of your in-patient utilization. The reason this is so

important is because in-patient costs drive about 40%-45% of your costs. It is an indicator of where your costs are going.

Mr. Haste: I want to make sure I didn't misunderstand something you said. These numbers are annualized.

Mr. Fiaschetti: Yes, that is correct.

Mr. Haste: You just said 78 as of June. You didn't really mean 78, you meant 78 annualized as of the data you have collected in June.

Mr. Fiaschetti: Yes, as of the data we collected.

Mr. Haste: So we are not looking at 140. That's what I thought I understood.

Mr. Fiaschetti: No, no, no, we have converted it to an annual rate of utilization. That number should stay somewhere in the 70's throughout the year.

The good news is it is trending down. The somewhat, and I shouldn't say bad news, but it is worse than our norm, so it is higher than the 70 per 1,000 that we see throughout all of Highmark's population in this region.

If you go to the next page we have the same type of information for out-patient services. These are services done at the hospital but on an out-patient basis. It does not include an overnight stay. What we see here is the norm for our population is about 6.2 services per person per year and through June of 2006 the county is averaging 4.8. That is up a little bit from 2005 where you averaged about 4.4, but still well below our norm. What we are seeing with the Dauphin County population is higher in-patient utilization, lower out-patient utilization.

Mr. Hartwick: Which is not a good thing when it comes to experience and costs.

Mr. Fiaschetti: That is correct because out-patient surgeries are much cheaper than a day in the hospital when you have to stay overnight. If you look at the next page what we have is professional services. Now this bundle all professional services including office visits to a family doctor, surgical visits to a surgeon, cardiologist or specialist, any type of out-patient lab visit or radiology visits, diagnostics if you will. What you see on the redline is for Highmark's population we average 15.5 services per person per year. Dauphin County is at 17.6 so that is a little higher than our norm, but below the high of 19.4 in 2004. It is up a little bit over 2005. Typically what we see is the utilization of professional services follows the utilization of hospital services. If you think about it and someone is in the hospital they are usually having a surgical procedure or something. We see that follow the in and out-patient utilization. That is up just a little bit this year. Again seasonally the first 6 months of the year tend to be a little bit heavier than the last 6 months of the year. You usually see a big down turn in November and December because people put things off during the holidays.

If you go to the next page we have your pharmaceutical utilization. Now we have this for 2 years because of when we did get your pharmacy benefits. Our norm is 9.4 prescriptions per person per year. By the way, if anybody thinks these numbers are high, they are pretty high we use a lot of pharmaceuticals in this region and in the country. Pharmaceutical utilization is high in general and we have seen that. For the county it is 11.7 prescriptions per person per year. That is fairly high. It is about 20% higher than our norm. Your population is using their pharmacy benefits at a high rate.

The last page that we have is the allowed-charges. It is basically your costs per person per employee for the last 4 years. What we saw was a big spike in 2004 because we had significant high dollar claims. We had high dollar claims in excess of 1 million dollars in 2004. That represented about 9.4%. Our typical is 4% high dollar claims. You were more than double high dollar claims. That came down significantly in 2005 to about 1.3% and we are running at about 1.4% in 2006 in terms of the claims in excess of \$125,000. What you see in 2005 is that your healthcare costs went down 5.2%. So far year-to-date in 2006 you are up 10.8% over 2005 in aggregate.

The small box that you see is the pharmacy trends and you are looking at a 21% increase in pharmacy costs in 2006 over 2005 so far this year.

Mr. Hartwick: I have a quick question for you. We have heard a lot in the last presentation about shock claims, which are those high claims that have driven up costs. Don't you have stop gap insurance or insurance that actually protects you against some of those large claims that you pay a premium on? So that if there is a larger claim that is covered in an insurance agreement that you have then you don't have to pay all of that out? It is actually covered in what your premiums are I think the term is stop gap insurance.

Mr. Fiaschetti: Yes, stop loss insurance is the term. What we do is for accounts such as the county, you are fully insured. So we would take all of your experience to rate you but what we do is eliminate some of those shock cases so that you don't take a huge hit in any one year with that utilization and we do call that a stop loss provision. You won't get hit. We can spread that over our entire population. Highmark itself fully insures all of those cases. We don't further reinsure that to someone else. We take full risk for all of those cases at Highmark.

Mr. Hartwick: I just like to know because we have heard a lot about that and how that drives up our utilization with those big claims. I would like to see how that actually effects our experience and actually sort of gives an idea as to how that is spread out because that is a concept that I can't really get my head around yet how you can spread it out across all the folks rather than just have it count against the experience of the county. When I saw those charts last time it was pretty high, the utilization trends, and in there included a large amount of shock cases, if not all of them. I just need to figure out how that works.

Mr. Fiaschetti: Okay. That is a good question Commissioner Hartwick and we will be glad to sit with you and go through that. I won't bore this commission today with an actuarial discussion. We can tell you how we do that, what we put in, what we eliminate, what benefit you get from our pooling, if you will, over a large population.

Mr. Hartwick: I would appreciate that.

Mr. Fiaschetti: You do receive a benefit from that.

Mr. Haste: It is a little bit like paying taxes. Everybody pays, but not everybody uses.

Mr. Fiaschetti: That's exactly right. If we didn't do that any one group could really get killed in any given year with some of the really significant cases.

Mr. Hartwick: But when you come back and look at the experience and the utilization trends to negotiate the next term of deals would you include those shock claims in whatever those future negotiations would be?

Mr. Fiaschetti: We would include a portion of those. Some portion we take out and again spread over our whole population so that you don't get hit with that whole thing. We do that with other accounts as well.

Mr. McGee: We set a limit at about \$125,000 and anything beyond that does not count towards your experience.

Mr. Fiaschetti: For example in 2004 you had a case that was well over \$500,000 and we did not include all of that in the experience rates.

Mr. Haste: You only include up to the \$125,000.

Mr. Fiaschetti: Yes. That is what we did. Again we can explain that in detail. That is a very good question. I wanted to comment before I ended my formal presentation that we are in the process of developing your rates for 2007. Those will be presented to you by the end of September. It looks like the rate actions for Dauphin County will be very favorable this year. When you look at it we take part of 2005 for that rate development and part of 2006 the period that we are looking at is fairly favorable from what we have seen here. You are going to see favorable rate action for 2007. You will not see the rate of increase that you saw in 2006 over 2005. There is some good news coming down the road for you.

Mr. Hartwick: I guess we will see a lot of each other because we will be back at the negotiation table.

Mr. Fiaschetti: Yes, that is correct.

Mr. Haste: Do you take a look at or analyze what caused the increase? The reason I ask that is I know if we didn't do anything it would probably continue on this trend, but I know there was some effort by the Wellness Committee and there was some excitement and some people would participate, not a whole lot but some people did. You would think that would have a little bit of impact but maybe we were only getting the healthy people participating in wellness.

Mr. Fiaschetti: I think it has had an impact. You implemented office visit co-pays, you've implemented a Wellness Program and I think the impact that has had is it kept the healthy people in the healthy category. We have a whole series of reports that I know we have given you, but we can share with you and then analyze that. I tried to keep this report at a high level. One of the issues you have is that some of your sickest people are very sick. That is driving some of what you are seeing here.

Mr. Haste: When we look at that can we tell if they are working in a certain area or a certain age? Can we try to be pro-active with that group at all?

Mr. McGee: Absolutely. You have a couple of cases that will be ongoing that we case manage. That is just the luck of the draw. There are a couple that will be ongoing for an extended period of time and while we try to work with them through case management...

Mr. Haste: Are they cancer or heart issues for the most part?

Mr. McGee: Hemophilia is one of them. There is no short term answer for that. But what you have done in wellness has certainly been part of the answer. What some people don't normally think about is keeping healthy people healthy. While you will always have a percent of people that are acute and will require case management trying to keep the healthy people from moving into the unhealthy category is really where you are going to receive your biggest bonus. That's where wellness programs absolutely have a payback. As a matter of fact, in the bulletin of which you have a copy of you folks are mentioned on page 14 for the actions you are taking towards wellness. You are to be applauded for that. You are taking an initiative in that area and we have seen a tremendous number of companies get involved in wellness because they understand that unless you change behavior you are ultimately not going to change claims costs.

Mr. Hartwick: I'd just like to make a statement for Garry's benefit because I know he hasn't been through the whole healthcare negotiations piece. The difference between 2003-2004 is a little bit deceptive with the finance game that was involved with actually funding the 2003 healthcare benefits and not paying for 100% of the costs. It was one of those deals where we again took over and had to pay the bills that the last group left behind for us to pay in a scheme that allowed them to have a lower cost at that time. A big layover, a huge surplus and we had to come and either pay the piper and in future negotiations figure out a way to get around a lot of the money that was owed to Highmark in that process. The 2003 and 2004 comparison is not really a fair comparison until you understand the funding structure, as well as, the way that entire

package was put together. For a little bit more of an explanation on that I would be glad to talk to you.

Mr. Fiaschetti: Just a couple more comments for the Commissioners I did want to acknowledge that Mike McGee had brought our bulletin that we send to our group customers, many thousands of them, and Dauphin County will be highlighted for their efforts in our group bulletin.

The last thing that I was asked to discuss was what the annual costs of health benefits are for the Spring Creek employees. Our latest estimate based on the number of people that you have insured there for June is about \$2.5 million. We believe that through the end of 2006 you will have paid somewhere around \$2.5 million, maybe a little bit more in health benefits premiums for the people at Spring Creek.

Mr. Hartwick: That will have to be a part of the negotiations this year as well.

Mr. DiFrancesco: I have more questions than I can even begin to ask. We need to get together for a couple of reasons. One is to get those profiles so I can truly understand what is going on. Obviously as we get into our budget season personally I want to see us get much more aggressive on the wellness side and understanding those profiles is an important piece to understand what we can do. I would ask to share some information that you already have and that is what is being done in other companies, in other counties or other governmental entities in a very aggressive way to bring about a strong wellness program? I know in some areas we've heard stories about where there is a benefit tied to wellness in terms of if you choose to be in the wellness program maybe you pay less for your insurance. There are some very aggressive approaches out there that some companies and organizations are taking and I'd like to really see what those are. So we can understand better what is going on in the industry. Clearly we have had some real successes in our wellness programs and some other ones, not so much success.

Last year I think we had to cancel a Weight Watchers program that we were trying to implement for a lack of participation. This year we filled this room with people who signed up. We need to better understand what we could be doing to promote those wellness programs. Again, I believe that in the long run that really is where we will save county taxpayers from the big hits that get taken on insurance premiums. As I said before we are also promoting a healthy workforce which has all kinds of benefits. Let's get together afterwards. We can talk about the profiles, your ideas and maybe you can share some information with me. Also for the life of me I want to see your formula for these numbers because right now these numbers don't mean anything. I am sitting here trying to process these numbers in my head and based on what you said I have no idea. I just want to see the formula of how the numbers are processed.

Mr. Fiaschetti: I am showing the trend.

Mr. DiFrancesco: Right. I want to see the formula that the numbers go through to get to here so I understand exactly what these numbers mean. We can do that all at a later time. We will schedule a meeting.

Mr. Fiaschetti: Our medical director Dr. Muscalis who is out of town today, unfortunately, is developing a full profile for the county and will be involved in helping analyze the utilization underneath the high level trends that I gave you today. He will be involved as well.

Mr. DiFrancesco: I am assuming that data exists so that we could actually get a sense between the in-patient/out-patient price differences. I don't know how you could do that though maybe the same surgery would be out-patient in one case and in-patient in another. Would we be able to identify usage type issues? The use of prescriptions is way above your average, why is that? Is it in fact the lifestyles of the workforce? Is it that people are using prescriptions still when there are over-the-counter alternatives that are much less expensive? What are those issues? We've talked a lot about these issues when we started implementing these programs but now I want to see what the effects are and whether or not we have been successful. Those are the types of things I really want to sit down and meet on. Of course now is the right time to do that.

Mr. Hartwick: Along with the wellness I think the only way we will see these trends change is if we start to have a 5 year plan with real consumer driven health care choices. Educating our consumers and having people put more of their own effort into the mix to pay attention about what their actions actually cost and what that means to the county's experience and utilization. Developing a 5 year plan is critically important I think to the county for future cost savings.

Mr. DiFrancesco: The experience profiles, when Spring Creek is sold does that experience go away also or does it stick around with us?

Mr. Fiaschetti: No the experience will go away as well.

Mr. Haste: Let's hope it wasn't the healthiest people either.

Mr. DiFrancesco: I'm sure that will have serious impact on the experience.

Mr. Fiaschetti: We have to analyze that.

Mr. DiFrancesco: Have you looked at that yet?

Mr. Fiaschetti: No we have not.

Mr. DiFrancesco: So the number that you have given us is simply straight dollars'.

Mr. Fiaschetti: That is what we are paying for those benefits for those people.

Mr. Haste: You don't know how many of those may be over that 125 gap?

Mr. Fiaschetti: I don't have that by location as I sit here. Those details are as you know HIPAA protected so I can't discuss those out loud here in this forum. We can discuss those with you as the plan sponsor. Thank you.

SALARY BOARD

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

PERSONNEL

Ms. Sinner: I have an addendum to the Personnel Packet. It is for the transfer of the Schaffner employee into this workers comp position that we just created. I have no changes to the packet that was presented last week.

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

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the Personnel Packet as amended. Motion carries.

PURCHASE ORDERS

Mr. Baratucci: Commissioners there are some minor changes to the packet from last week. A couple items were changed in price and to our benefit they were lowered. All of the budget items have been resolved. Everything has been taken into consideration and they are all within the budget. I believe Commissioner Hartwick had a question on the first page. I don't know if he got that answered. Mr. Guenther is here from IT and he could explain that in more detail if you need it. Other than that, in fact here comes Tom, I guess he is going to explain that.

Mr. Hartwick: Could we just have an explanation?

Mr. Guenther: What you see there is for audio/visual equipment for this room, the Hearing Room. Part of the design when this room was done was to have full A/V capabilities for projector information so that if anyone came in to make a presentation to the Board that would be here. That was never done. Although if you went back to the sound rack all of that is built into the rack, but wasn't brought out into the room. We have looked at this a number of ways over the last couple years trying to get this job done and trying to find a funding source. As we move through the HAVA (Help America Vote Act) process there were pieces in the HAVA funding to do training and support for election workers. That training gets done in this room. We can use the HAVA money to equip this room with the proper training equipment and the A/V equipment to make this room accessible and help with the training of that.

Mr. Hartwick: Thank you.

Mr. Haste: In fact I think the equipment will be used primarily by meetings other than this meeting.

Mr. Guenther: That is correct. For all of the other presentations that we do in this room.

Mr. Hartwick: The only other one that I want to comment on. I know we always have issues with cameras. On page 20 we are all well aware with Children & Youth there is now what they used to buy, disposable cameras. They would take the picture, develop 2 or 3 pictures and then throw the camera away. Now they are going to be able to use the digital cameras. The new regulations and guidelines in Children & Youth it requires them for their case file to be able to have a picture of the child for each one of the case files. They are going to use those digital cameras for those purposes.

Mr. Haste: Bill, maybe you can help us with this. We went through this at the Prison. It is just to make sure that we secure and file those pictures appropriately. We ran into this because we now take pictures of every inmate that comes in with an injury and we decided to stay with the old instamatic polaroid so that really there was only one copy. It couldn't be put on the computer and it can't be played with or misused or sent somewhere else. I would think with the sensitivity with what we are doing we all want to make sure that...again once it is on there and it is electronic it's easier for other people to get it as opposed to when you just had one in a folder and you knew where it was. I would think we would want to develop some guidelines and safeguards for those photos.

Mr. Hartwick: That is a good point.

Mr. Haste: Digitals are great to use for that purpose but they can be misused too when that photo is digital.

Mr. Tully: I think we can address that probably with a protocol that there are a limited number of computers that they are downloaded on. Then you can monitor who has access to that computer.

Mr. Haste: Right, I am asking if you could talk to Fred and make sure that we have that in place.

Mr. Tully: Sounds good.

Mr. Baratucci: Any other questions on the packet? (There were none.)

Mr. Haste: Is there a motion to approve the Purchase Orders?

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

REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR

A. Investment Report

Report from the Office of Budget & Finance August 30, 2006

- **August 18, 2006** transferred **\$4,510,572.71** to the **Payables** account and **\$1,862,788.90** to the **Payroll** account from the County's Concentration account for checks issued that week.
- **August 25, 2006** transferred **\$664,931.94** to the **Payables** account from the County's Concentration account for checks issued that week.
- **Total Term Investments – N/A**
- **Balance today in INVEST account \$130,087.55 rate 5.190%**
- **Balance today in Community Banks investment account \$44,650,677.06 rate 5.500%**
(This rate equals today's Community Banks 91-day TBill rate of 5.100% plus 40 basis points)
- **Balance today in Graystone Bank investment account \$20,381,762.03 rate 5.620%** (This rate equals last month's average 1-month LIBOR rate of 5.370% plus 25 basis points)
- **Balance today in Commerce Bank investment account \$22,000,041.13 rate 5.410%** (This rate equals today's 91-day T-Bill rate of 4.960% plus 45 basis points)
- **Balance today in Sovereign Bank investment account \$100,764.44 rate 5.330%** (This rate equals today's 1-month LIBOR rate of 5.330% plus 0 basis points)

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

Mr. Yohe: The only comments that I would have is that I am getting some rates in for September already. I can see a slow down in the rising rates since the Fed's didn't raise last time so we may want to look at potentially locking some of the money up for a longer term. When I get them all in maybe we can get back into purchasing some CD's or some sort of a term investment with some of our excess cash, if there is such a thing as excess cash.

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

B. Presentation of the Retiree Health Care Insurance Plan for Non-Union Employees

Mr. Yohe: The second item on the agenda has to do with a directive you had given me back in January to explore the possibility of a retirement window for some of our long-term employees. We set a committee up to look into this. Obviously the first thing that we looked at was a true retirement window where we would make the offer for years of

service and any adjustment to the pension fund. We ruled that out because that was limited to once every 5 years. It required actuarial studies and some costs that I didn't think we wanted to get into at the time. We then looked at what the various union contracts have that the non-union do not have. The big one is health benefits. Almost every union contract has some sort of retiree health benefit. We laid all the union contracts out and gathered information and put everything that was common to each one in one category. We laid everything out and compared all of them in a sense and what was common to each of them was you had to be at least 55 years of age and have 20 years of service. So that is what we started with. Then we looked into what is covered. Is it just health benefits? Is it just dental or prescription and vision? Is it everything? We found that all the contracts covered pretty much all of the benefits that we have, all the current benefits that the employees enjoy. We then looked at who pays for this coverage. Does the county pay for it? Does the employee pay for it or is it a mixture? That was across the board. Some union contracts were 100% paid by the county. Some were 70% paid by the county, 30% paid by the employee and some were 100% the first year. We put that up for a recommendation and we thought the fairest proposal and the one that was the most common was the 70% county paid and 30% employee paid. Again they were pretty much the variables that we looked at. We wouldn't get into all the various coverage's, some had employee and spouse, family, or whether it was just single. Most of them were employee and spouse. Then they get into whether you have coverage elsewhere or if your spouse has coverage elsewhere, there are a lot of different variables that went into that. We kind of looked at everything together.

Bottom line is we came up with a recommendation that we would bring to the board today. If you wanted to do something for a retirement widow that would kind of bring the non-union folks on par with the union folks obviously we would start with a minimum of 55 years of age and 20 years of service. One other item is you had to be enrolled in the health care plan at the time of retirement. If you are opting out right now you wouldn't be eligible for it. The healthcare would be for employee and spouse only, not family coverage. Obviously if you are single, you don't need employee and spouse, you would be covered just under the single area. We would recommend that the coverage continue until Medicare kicks in. At this date anyone that is eligible that would be a maximum of 10 years. The Medicare age for anyone that is eligible now is 65. In this window it would be for a 10 year period maximum for both the employee and the spouse. Once the employee reaches 65 years, the spouse is still eligible until they reach that age also. The benefits would end when either one become Medicare eligible. The county will pay 70% and the employee will pay 30%. That is pretty much the main criteria of the plan. The window that we would open would be....this would not be a change to any county policy. This would be a window for a specific period of time. We picked a 6 month window as a fair window, which would be September 1, 2006 through February 28, 2007. Anybody within that 6 month period that hits the eligibility requirements would be eligible to sign up for this benefit. I know we had met several times and Commissioners you are aware of the particulars that are behind the other areas of the plan. Today I am just highlighting the main points. I am here to answer any

questions. I have everything laid out here if you have any questions on any of the specifics.

Mr. DiFrancesco: What are the potential savings or incentives to the county? If you could make a bold assumption, what is the best case scenario, assuming that a large number of people would take advantage of this?

Mr. Yohe: We have somewhere in the upper 40's, the number of employees, all non-union, that would be able to participate. If everyone took advantage of this program we could save in the neighborhood of \$1 million the first year, assuming that the employees that replace them will come in on the low end of the pay scale. Then it drops off each year as salaries come back up. We have the potential for close to \$1 million in the first year. Again that is assuming that everyone takes advantage of it.

Mr. DiFrancesco: Again that number was net savings?

Mr. Yohe: Wait a minute the \$1 million was accumulative. The first year we have the possibility of \$300,000 to \$400,000 in savings. If everybody over the 10 year period participated the potential savings is \$1.4 million.

Mr. DiFrancesco: So that is the salary savings and again net of what we would be paying for the benefits.

Mr. Yohe: Exactly and that is again if everyone takes advantage of it. This is where the Board would come in, but the replacements would have to come in at a...my assumptions here were no higher than a Step 3 on the salary scale. If someone leaves at a Step 20 and you replace them at a Step 18 the savings are pretty much out the window. That is something you have to keep in mind if you want to realize a savings. What you are also going to do here is the fairness issue. This is something that we can look to the non-union folks and say we are offering something that is comparable to what the union contracts offer right now. One difference being that this is a 6 month window. The union folks have it as an ongoing part of their contract.

Mr. Hartwick: I think we have discussed this enough.

Mr. Haste: How are we going to notify these employees? Are we sending a notice to those who are eligible?

Mr. Saylor: Yes. I wanted to mention that we would like for you to vote to authorize us and we will begin to implement this. We will draft a letter from you to the employees notifying them of this.

Mr. Haste: And they will understand once this window is over the opportunity is gone?

Mr. Saylor: Yes.

Mr. Haste: Okay.

Ms. Parrish: I think Faye has already said something to Chad, but I think what we wanted to do is our list has about 43 people that we know definitely could qualify, however I think we are going to notify every non-union employee. Due to the fact that there may be some employees that have 19 years of service, but maybe years ago they could have possibly worked for the county before and may have never purchased their time and they would now be eligible to buy that previous service which would get them over the 20 year mark. I think we are going to notify everyone. Even if we have somebody who has only been here 3 months we are going to send that notification out to all the non-union employees.

Mr. Haste: Thank you. Do we need to do this by resolution or can we just...

Mr. Saylor: It was the opinion of the Solicitors that you vote to authorize us to do this and then we can begin to implement it, that we did not need a resolution.

Mr. Tully: I think ultimately you need the resolution. You can authorize the implementation and then with that outline we can prepare the formal resolution that will be the actual implementing document. Similarly we will have documents that we are preparing almost in the form of a contract that will be part of the retirement package that will be given to them when they actually have to acknowledge their responsibilities under this window as well, such as the payment of their premiums, etcetera. The key from you today is if you authorize it that allows us to take those steps and there is no reason why we can't have a formal resolution once there is approval. Until we get a clear signal from you stating exactly what you want to do we aren't in a position to do a resolution.

Mr. Haste: I know it has been a number of years but I was going back to when I used to be Chief Clerk and I sort of thought this was a resolution item. Is there a motion to approve this yet unnamed resolution?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to authorize the implementation of the early retirement incentive window for non-union employees. Motion carries.

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR

Mr. Saylor: Commissioners I wanted to draw your attention to Item X on page 4 of the agenda. In 2001 the Board of Commissioners adopted a resolution, as we began the war on terrorism, for county employees that were being called into military service. As the military needs have changed and the situation abroad and here at home have changed we decided to reword and further clarify the policy. We have a new resolution before you and we did discuss this but I just wanted to make sure that you were aware. This will be resolution number 19 of 2006.

For the record this will affect a full-time county employee who is voluntarily or involuntarily absent for duty as an employee because of service with the United States Military for an excess of 15 days. What this does is it will keep the employee whole during their service by paying the difference, if there is any, in salary between what they currently earn as an employee and their military pay. That is all that I have unless there are any questions of me.

Mr. DiFrancesco: I am just trying to recall the difference between the voluntary service and the involuntary service, did we have provisions that would somehow give us input for a person who is in a specialized position that we can't afford to lose that would grant us the right to say if they could go on voluntary service?

Mr. Saylor: Yes. It requires recommendation if his/her supervisor and then approval from the Board of Commissioners.

Mr. DiFrancesco: I just wanted to make absolutely certain that was there. My concern is there are certain critical positions that really don't give us the liberty to have someone volunteer to go on service and then we still have to hold that position open. Some of them are specially trained positions and so forth.

Mr. Haste: Anything else in your report Chad?

Mr. Saylor: No.

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

Mr. Tully: No changes to the report but happy to answer any questions that you may have.

Mr. Haste: Are there any questions? (There were none.)

MATTERS REQUIRING BOARD ACTION

Mr. Haste: We have Matters Requiring Board Action items A through Z, is there anything else that needs to be pulled out and discussed? (There was nothing.) Is there a motion to approve items A through Z?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve Matters Requiring Board Action Items A through Z. Motion carries.

- A. Training Packet
- B. Approval of FY06/07 Per Diem Rates between Children & Youth Agency and: (per distributed list)
 - 1. COBYS Family Services
 - 2. Valley Youth House
 - 3. Adelphoi Village, Inc.
 - 4. Bethanna
 - 5. Kidspeace National Center, Inc.
 - 6. Ministries of Eden (Child Specific Contract)
 - 7. Perseus House, Inc.
 - 8. Northern Home for Children (d/b/a Northlink Family Services)
- C. Satisfaction Pieces with the following individuals:
 - 1. Susan Shugart for property located at 918 Monroe St., Oberlin.
 - 2. Phillip A. Mitchell & Stephaney A. Mitchell for property located at Durham Rd., Harrisburg.
 - 3. Jose M. Garcia, Jr. & Shantel R. Garcia for property located at 1930 Manada St., Harrisburg.
 - 4. Heidy J. Wert for property located at Lot #26 Lenker Drive, Elizabethville.
 - 5. Amanda Rohrer for property located at 5439 Jonestown Road, Harrisburg.
 - 6. Mary A. Sipe for property located at 4612 Marblehead St., Harrisburg.
- D. Lease Agreement between Dauphin County and the Dauphin County Industrial Development Authority to lease 1500 sq. ft. on the 4th & entire 5th floor of the Veterans Memorial Building. (Community & Economic Dev.)
- E. Approval of an Extension Letter of Mutual Agreement to extend Dauphin County's current contract with Curbside Inc., for one year under the same terms and conditions. (Solid Waste Management & Recycling)
- F. Purchase of Service Agreements for FY06/07 between the Children & Youth Agency and:
 - 1. The Devereux Foundation, Inc. Contract #1
 - 2. The Devereux Foundation, Inc. Contract #2
 - 3. Felder and Wright Independent Living and Aftercare Services, Inc.
 - 4. Pinkney's Vineyard of Faith, Inc.
 - 5. Western Pennsylvania Child Services, Inc.
 - 6. Families United Network, Inc.
 - 7. Philhaven, Inc.
 - 8. Hoffman Homes, Inc.
 - 9. International Service Center
 - 10. Saint Joseph's Center, Inc.
 - 11. Friendship House, Inc.

12. Centre County Youth Service Bureau, Inc.
 13. Children's Choice, Inc.
 14. Silver Springs/Martin Luther School, Inc.
- G. Child Welfare Education for Leadership (CWEL) Program Agreements between DC Children & Youth Agency, University of Pittsburgh and:
1. Amanda L. Ozenbaugh
 2. Lindsey S. Miller
 3. Corinne E. Koser
- H. Mental Health Purchase of Service Agreements for FY06/07 between Mental Health/ Mental Retardation and:
1. Mental Health Association of the Capital Region
 2. NHS of the Susquehanna Valley t/d/b/a Susquehanna Developmental Services
 3. Bonnie J. Quackenbush M.A., CCC-SLP
 4. Tyler Personal Assistance Associates
 5. Philhaven
 6. Red Rose Transit Authority
 7. AHEDD
 8. Impact Systems, Inc.
 9. Speechcare, Inc.
 10. National Mentor Healthcare, LLC, t/d/b/a PA Mentor
- I. Mental Retardation Purchase of Service Agreements for FY06/07 between Mental Health/Mental Retardation and:
1. Tyler Personal Assistance Associates
 2. AHEDD
 3. Messiah Village
 4. NHS of the Susquehanna Valley t/d/b/a Susquehanna Developmental Services
 5. Impact Systems, Inc.
 6. National Mentor Healthcare, LLC, t/d/b/a PA Mentor
- J. Amendment #1 to FY05/06 Purchase of Service Agreement between Mental Health/ Mental Retardation and Masonic Village.
- K. Emergency Shelter Grant Agreement for FY06/07 between Mental Health/Mental Retardation and Catholic Charities Diocese, Harrisburg, Pennsylvania, Inc.
- L. Human Services Development Fund (HSDF) Assurance of Compliance Report.
- M. GIS License Agreement between Dauphin County Information Technology and Halifax Township.
- N. Approval of Food Service Agreement between Schaffner Youth Center and Aramark Correctional Services.
- O. Agreement of Sale between Dauphin County and Verizon Pennsylvania, Inc. for a real estate purchase of Tax Parcel No. 29-031-043-001-0002 in Halifax Township, Dauphin County.
- P. Bill of Sale between Verizon Pennsylvania, Inc. and Dauphin County for purchase of property containing Cell Tower, Shelter and Fencing near Peter's Mountain.

- Q. Amendment to a Prison Renovations Agreement between Dauphin County and Crabtree Rohrbaugh Associates for Project 1947.
- R. Audit Engagement Letter between Dauphin County and Zelenkofske Axelrod LLC to provide audit services for the year ended December 31, 2005.
- S. Approval to sell the following parcels from the Repository List:
 - 1. Parcel #1-35-252, 1312 S. 12th St., Harrisburg to Kenneth & Constance Rucker in the amt. of \$300.00.
 - 2. Parcel #9-76-39, 2016 Ethel St., Harrisburg to Terry Lawson in the amt. of \$300.00.
- T. Real Estate Tax Refunds/Exonerations:
 - 1. Refund of 2006 real estate taxes to William & Dorothy Broaddus, 9 Cambridge Dr., Hershey, parcel #24-088-026, Derry Township, in the amt. of \$118.60.
 - 2. Refund of 2006 real estate taxes to Jean Marie, Jennifer and Thomas Nestler, 119 Market St., Williamstown, parcel #71-006-059, Williamstown Borough, in the amt. of \$188.16.
 - 3. Refund of 2005 & 2006 real estate taxes to Charles & Mary Lou Sproule, 4045 Greystone Dr., Harrisburg, parcel #35-106-022, in the amt. of \$587.76.
 - 4. Refund of 2005 & 2006 real estate taxes to Ljubisa & Mirjana Stankovic, 1320 Wyndham Rd., parcel #24-056-221, Derry Township, in the amt. of \$6,239.16.
- U. Amendment No. 2 to Phase II Act 167 Storm Water Management Plan Grant with DEP for the Paxton Creek designated Watershed – a reimbursement to the County in the amt. of \$3,278.88. (Conservation District)
- V. Lease Agreement between Adult Probation and Secure Alert, Inc. for the TrackerPAL electronic monitoring device.
- W. Exclusive Services Agreement between Dauphin County Adult Probation and Mid Atlantic Monitoring Services, LLC for Alcohol Monitoring Systems and Software.
- X. Adopt Resolution No. 19-2006 authorizing the County of Dauphin to pay the difference in lost pay to any county employee that's a member of any military reserve unit who might be called into active duty and
- Y. Adopt Resolution No. 20-2006 authorizing the issuance of a Tax and Revenue Anticipation Note for the FY2006/2007 Nursing Home Intergovernmental Transfer.
- Z. Electronics Recycling Collection Agreement between Dauphin County Solid Waste Management & Recycling and Amadni formerly Envirocylcye.

FORMER BUSINESS

(There was none.)

NEW BUSINESS

(There was none.)

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. DiFrancesco: I do have one comment. I assume that congratulations are in order and that everything went according to plan? I would like to congratulate our newly married Administrator from Spring Creek and hope that he had a very good weekend in Maine. Congratulations on your wedding Scott.

Mr. Burford: Thank you.

CORRESPONDENCE

Mr. Haste: We have correspondence listed on the agenda that has been received by the Board and will be handled by the staff appropriately.

- A. Notification from the PA Dept. of Public Welfare indicating an increase in the DC06-219430 Fund A & Fund C.
- B. Notification from the PA Historical & Museum Commission indicating the Millersburg Ferry has been listed on the National Register of Historic Places.
- C. Notification from the Dauphin County General Authority indicating Norman K. A. Hoffer resigned from the Dauphin County General Authority Board.
- D. Notification from the YWCA of Greater Harrisburg-Camp Reily indicating they applied to DEP for a permit to replace a culvert to Camp Reily Road.
- E. Notification from Mellott Engineering, Inc., on behalf of the McNaughton Company, indicating they intend to file an application to DEP for a NPDES Permit for a proposed 18 unit townhouse development located in Lower Paxton Township.
- F. Notification from Mellott Engineering, Inc., on behalf of Harry H. Fox, Jr., indicating he intends to file an application to DEP for a NPDES Permit for a stream crossing for a proposed 98 unit townhouse development "The Townes at Abbey Meadows" subdivision, Washington Township.
- G. Received a copy of a letter from DEP to Meadowbrook Coal Company, Inc. in reference to mining permit for the Williamstown Highwall Mine Operation, Williams Township.
- H. Notification from Dawood Associates, Inc., indicating they intend to apply to the Dauphin County Conservation District for a NPDES Permit for a proposed Mossy Oaks subdivision located in Dauphin Borough along Charles Road.
- I. Notification from CET Engineering Services indicating Lower Paxton Township intends to apply to DEP for permits to replace approximately 2,660 feet of sanitary sewer on Valley Road, Lower Paxton Township.

- J. Notification from K&W Engineering indicating that Feldman Mall Properties, Inc., intends to apply to DEP for NPDES permits for stormwater discharges associated with the construction of Great Escape Theater, Harrisburg Mall, Swatara Township.
- K. Notification from Dawood Associates, Inc., indicating they intend to submit an application to DEP for a General Permit for a proposed 18,000 sq. ft. professional office building on approximately 1.81 acres located in Susquehanna Township.
- L. Notification from Benatec Associates indicating that Hershey Entertainment Group intends to submit an application to DEP for a water obstruction general permit for a proposed parking lot expansion on approximately 47 acres within the property located south of Hersheypark Drive on the west and east side of Hockersville Rd.
- M. Notification from Dawood Associates, Inc. indicating they intend to submit an application to DEP for a General Permit #4 for a proposed project for an 18,000 square foot professional office building approximately 1.81 acres located in Susquehanna Township.

PUBLIC PARTICIPATION

(There was none.)

ADJOURNMENT

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to adjourn the meeting. Meeting adjourned.

Transcribed by: J. Wolgemuth