



DAUPHIN COUNTY BOARD OF COMMISSIONERS

COMMISSIONERS LEGISLATIVE MEETING

TUESDAY, OCTOBER 28, 2003

10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Lowman Henry, Vice Chairman
Anthony Petrucci, Secretary

STAFF PRESENT

Robert Burns, Chief Clerk; Julia E. Nace, Assistant Chief Clerk; Marie Rebuck, Controller; Robert Dick, Treasurer; Phil Spaseff, Recorder of Deeds; Carolyn Thompson, Court Administrator; Robert Knupp, Esq., Solicitor's Office; Bruce Foreman, Esq., Solicitor's Office; Mike Yohe, Budget Director; Randy Baratucci, Purchasing Director; Edgar Cohen, Facility Maintenance Director; Gary Serhan, Deputy Controller; Steve Suknaic, Juvenile Probation; Richie Martz, Commissioners' Office; Jane Gordon, Commissioners' Office; Kacey Truax, Commissioners' Office; Jennifer Kocher, Communications; Diane McNaughton, Communications; Faye Fisher, Personnel Director; Sharon Ludwig, Personnel; David Schreiber, Personnel; Kay Sinner, Personnel; Garry Esworthy, Risk Manager; Mike Wertz, EMA Director; Melissa Ventresca, EMA; Shari Eagle, Information Technology; Rick Wynn, Human Services Director; Donna Price, Controller's Office; Mike Pries, Safety & Security Director; Dan Robinson, Economic Development Director

GUESTS PRESENT

Robert Grubic, Herbert, Rowland & Grubic; Lou Verdelli, Public Financial Management; Chuck Zwally, Esq.; Donald Smith; Gary Dolbrin; Frank Divonzo

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 Minutes from the October 7, 2003 Workshop Meeting and the October 14, 2003 Legislative Meeting. We have been asked to hold the October 14, 2003 Salary Board Meeting Minutes. I will then turn the gavel over to Commissioner Henry for the Election Board.

Is there a motion to approve the October 7, 2003 and October 14, 2003 Meeting Minutes?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

ELECTION BOARD

(The Election Board Meeting Minutes are on file in the Commissioners' Office.)

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Burns: There were no Executive Sessions held since our last public meeting.

PUBLIC PARTICIPATION

Mr. Haste: We are at the point in time of our Meeting for public participation. Is there anyone in the audience that would like to address the Board at this time? (There was none).

DEPARTMENT DIRECTORS/GUESTS

A. Michael Wertz, Director of Emergency Management

1. Presentation of Proclamation to Don Smith, a long-time volunteer with EMA.

Mr. Wertz: Throughout my career in Emergency Management we have always had some people who would step up and help not just our agency of the government but citizens of the County. We watched a lot of things happen in Emergency Management and things have become a little bit hectic. Some of the areas that we put emphasis on have been additional planning. The incident at Columbine and a bunch of school incidents combined with the increased terrorism threat made that a priority in our department. As you know, we've had a couple of vacancies that we were really struggling in trying to do that. A person stepped up, Don Smith. He has taken classes and joined a training class for about three days to put together a training team for Dauphin County. I'm excited about that. He took the national course at the National Academy in Emmitsburg, Maryland for a full week. He has come back and provided all the legwork. Melissa Ventresca from our staff has other assigned duties. She was our SARA Title III Coordinator and is now responsible for all of our training programs by coordinating and providing staff assistance. But Don went far and beyond what needed to be done. He has put together training classes for all public and private schools in Dauphin County. In addition to doing those training classes, he's been out providing assistance to do school planning and has actually run a large scale exercise and has invited all those people to come and attend and see what has happened. I thought that Don needed recognition and as I took a look at that, I recognized that he has been active as a volunteer in our agency for twenty years. As such I think the proclamation is well stated. I'll allow you to go ahead and read it.

Mr. Haste: I will read the proclamation:

Dauphin County, Pennsylvania

Proclamation

We, the Dauphin County Board of Commissioners, wish to extend the deepest and sincerest of thanks to Don Smith, who for 20 plus years has dedicated his time and energies to our Emergency Management Agency, first responders and schools;

Whereas, his volunteer involvement began when, as a sergeant with the Susquehanna Township Police Department, he was instrumental in developing standard operating procedures for police departments that would be established countywide;

Whereas, Don's input and knowledge – again all shared on his own time – was vital in instituting training for 911 operators to help them better communicate with police;

Whereas, for eight years, Don has served as the police services coordinator in the county's Emergency Operations Center, meaning he gives countless hours in training so that in an emergency he will again give of himself to guarantee a uniform police response;

Whereas, with the support of the Dauphin County Technical School where he is dean of students, Don spearheaded hazard planning for local schools, extensively training with PEMA and FEMA, bringing the information home to establish school emergency response teams, train the members and in the end, conduct a full-scale exercise;

Whereas, emergency services in Pennsylvania would cease to exist without the devotion and support of people such as Don, who sacrifice evenings at home, kids' soccer games and family events in order to ensure the safety of others during very stressful times;

Therefore, we join the 251,300 residents of Dauphin County in expressing the heartfelt gratitude of the entire community for unselfishly working to ensure the security of all and declare October 28, 2003 as Don Smith Day in Dauphin County.

In witness thereof, we have hereunto set our hand and caused the seal of the Commissioners of Dauphin County to be affixed this the 28th day of October 2003.

Mr. Haste: Do you have anything else, Mike?

Mr. Wertz: No.

B. Chuck Zwally, Esq.

1. Update and review of an analysis for the potential Guarantee for the Harrisburg Incinerator Project.

Mr. Zwally: Good morning. I have with me, Mr. Grubic from Herbert, Rowland & Grubic; and Mr. Lou Verdelli of Public Financial Management.

We are here to provide you with a report on the status of our work for the County in connection with the Harrisburg Authority proposed retrofit project. If you like, I would be happy to briefly summarize this report, give you our recommendations and conclusions. We will then be happy to answer any questions you may have.

Mr. Haste: Please do so.

Mr. Zwally: First of all we are really only mid-point in this project. Our recommendations and conclusions here must be understood are certainly subject to final action by City Council to approve the project and to approve the City Guarantee which would be primary to any Guarantee by Dauphin County.

Mr. Haste: It is my understanding that is to occur tonight?

Mr. Zwally: There is a meeting scheduled tonight of which I understand a vote will be taken.

Our report addresses two general aspects of the project. The first would be the design, engineering, construction and operation of the project. The Authority has retained Barlow Projects, Inc., as its consulting engineer. They've prepared a feasibility study. That feasibility study has been refined and updated. The current version is attached to your report at Tab 3.

Tab 1, of the report, is a letter report from HRG. They have reviewed the project feasibility. They have not of course examined each assumption definitively. But they have at least concluded that the feasibility assumptions are within a reasonable range of probability. The feasibility was also addressed by Bucharth Horn in a report for City Council. Herbert, Rowland & Grubic reviewed the Bucharth Horn report. The Bucharth Horn report was generally favorable.

If you take a look at Tab 3, you will see that the construction costs and project costs are itemized on the first page. On the subsequent pages, there are estimates of operating revenues, operating expenses, and debt service for each year. The bottom line shows that there are surpluses flowing to the bottom line at the end of each year.

The performance shows the necessity to cover, of course operating expenses, debt service not only on the 2003 retrofit bond, but also debt service on the existing debt applicable to the facility.

In the final analysis, we have reviewed this and have given you our best judgment on whether or not it appears that it will be successful. You will be relying on the ability of the City to prosecute this project and of course, the ability of its primary contractor which is Barlow.

HRG has indicated its report did make a number of site contacts of other projects which have been done by Barlow and received very favorable impressions. Barlow certainly appears to have the experience and ability to deliver successfully similar projects. But we do note that most of Barlow's projects have been smaller in size. Their typical unit would be about 100 tons per day. The units here would be significantly larger than that.

The second aspect of the project which was reviewed is the financial structure of the proposed bond issue. There are a number of factors here, which we consider identified as risk factors. They are as follows. The total existing debt applicable to the facility is \$104 million. Of that existing debt, there are Series A of 1998 Bonds in excess of \$11 million which have priority over receipts and revenues. They will have priority over the retrofit bonds to be guaranteed by the County, should you go ahead. The balance of the debt about \$92 million is subordinate to the Series A Bonds and will be subordinate to the retrofit bonds. All of the existing debt is guaranteed by the City and all of it is insured by FSA, a triple rated municipal bond insurer. It is anticipated that FSA will also insure the 2003 Retrofit Bonds. But they have indicated that they will only do so if there is a County guarantee.

There are a number of what I would call additional costs that must be included in the project costs. These include capitalized interest and transition costs. They total almost \$25 million. That is compared to construction costs of about \$73 million plus construction financing of another \$3 million. These additional costs are necessary because of the so-called transition costs of the City applicable to retaining a labor force at the facility and operating the transfer station. Approximately \$10-\$11 million of those additional costs are applicable to paying debt service on the existing debt during the construction period.

A third risk factor is the variable rates. Now there is good news and bad news here. The variable rates structure of the bond issue will allow the City to avail itself of current low interest rates. We understand that if the bonds were marketed today that they could perhaps carry a variable rate of 1.5%. You should understand that the model in the Pro Forma assumed an interest rate of 3.35% for the life of the bond issue as an average. Obviously, the longer you can achieve 1.5% the better off you are and hopefully the more surpluses that could be generated from the project.

The report of Public Financial Management is attached as Tab 2. I suggest that you review that very carefully. In a portion of that they explained the interest rate exposure

that is applicable in variable rates. The problem with variable rates is that they must be reset periodically. When they are reset, you are subject to market conditions at that time.

There are protections that can be put in place and the City is planning to have what is called a “cap provider” which in effect there is a financial institution that would insure or cover any costs above a certain amount. We understand that they are looking for a cap of about 6% over the life of the project.

I now turn to our recommendations, which are page 5, part D, of our summary report. I think that generally speaking there is probably little that we can do in respect to the risks associated with the construction, the operation, and the design. You will be relying in large upon the City and Barlow in that regard. I will say speaking personally that from experience from working with them, the staff and the professionals who the City has assembled as part of its team appear very experienced and we have been pretty impressed with what they have been doing. But it is a very difficult and complex project. Our recommendations address primarily the financial structure where we thought there were some things we could do to protect the County’s interest.

Our first recommendation was that the County guarantee be extended to only a portion of the retrofit bond issue. This would alleviate, to some degree, the exposure in respect to the 1998 A Bonds and would provide some consideration for the fact that there are these excess project costs that are included in the financing.

Following extensive discussions, the insurer was sort of critical. The insurer indicated that they would still insure the bond issue but they would have to have a County guarantee on all but approximately \$13 million of the bonds. So, we’re recommending that the County guarantee be extended to only a portion of the retrofit bond issue. It’s the total of \$125 million and under this proposal only \$112 million would be guaranteed by the County. I should note here that we were very concerned with respect to Part A of the A Bonds existing debt; which would have priority over the bonds to be guaranteed by the County. However, upon review we did note that there is an excess of about \$5 million of reserve funds held by the Trustee with respect to that Bond Issue. So that does minimize to a degree the exposure on those bonds.

Mr. Haste: How much is outstanding on that right now?

Mr. Zwally: The A Bonds are about \$11,800,000.

Our second recommendation is to assure certain control over project funds and the revenue account, which is the annual operating account applicable to the facility. What we have proposed first is that project funds be held by the Trustee and be released only for specific project purposes upon requisitions certified by the officers. These requisitions could be reviewed by the County. That’s standard procedure in these financings and the City has agreed to that.

Mr. Haste: Who is the Trustee?

Mr. Zwally: The Trustee will be Commerce Bank out of Philadelphia in respect to the retrofit bond issue. The revenue account is the annual account into which all revenues to the project will flow and out of that will be paid the expenses. The revenue account will be held with an insured depository in the Authority's name. It will be controlled by the indenture. We have indicated that we would like the County to have certain controls in respect to the revenue accounts and the payment of expenses. Tentatively the City has agreed that the County would be able to review and approve the annual budget, which must be prepared with respect to the facility and filed with the Trustee. The County will be able to review that and approve it. Some of us were working on it as we speak, but we have also recommended and they have agreed in principle that the County would also be able to review requisitions during the year from the revenue account to the extent that if they would exceed budget or be outside of the budget requirements. That review and approval process would be conducted by a County appointed consulting engineer. The engineer would review these requisitions and if they would reject a requisition then it would be reviewed by the Authority's consulting engineer and there would be an arbitration type process, whether it be an independent consulting engineer, would make the final decision. That is the structure, which we have recommended at this point.

Mr. Haste: What would trigger that process? Will they submit reports to us or must we ask for them?

Mr. Zwally: They will have to submit certain reports. They must submit the annual proposed budget. If the annual proposed budget exceeds the prior year's budget by 10% or more then it can be reviewed by the County controlling engineer and approved. With respect to deviations from budget occurring during the year, if there is a deviation of 15% or more, then it is automatically subject to county review and approval.

Mr. Haste: How will we know when that occurs?

Mr. Zwally: They will have to provide you with a requisition requesting that particular expenditure. With respect to the budget they will have to provide you with a budget prior to its adoption.

Mr. Haste: Okay.

Mr. Zwally: Our third recommendation has to do with the surplus funds. There will be a surplus fund or account which will be held initially by the Trustee on the A Bonds. That would be J. P. Morgan. Withdrawals of surplus funds would require the review and approval of the County similar to the review of requisitions from the revenue account. There is an arrangement now where by the City is entitled to incentive or bonus payments if surplus funds accumulate in excess of \$5 million. That's set forth in the management agreement. We have proposed and the City has agreed in principle that the so-called incentive or bonus payments or withdrawals from the surplus funds could

occur only when those surplus funds reach \$20 million. That would be during the time period that the A Bonds are outstanding. They would be retired by 2021 thereafter the threshold for withdrawal of funds would be reduced to \$10 million. In addition, if there are any withdrawals of surplus funds by the City to the extent that they exceed \$20 million and \$10 million caps there would be an additional County guarantee fee payable out of those withdrawals.

Our fourth recommendation is that the Authority's annual administrative fee of \$200,000 per year be capped subject only to increases for cost of living expenses. At this point in time their administrative budget is pretty much subject to their discretion in terms of setting it each year. We have also provided that the County will be required to approve any restructuring and refinancing of debt applicable to the facility that would include either retrofit bonds or any other bonds that are outstanding. The only exception would be an allowance to issue additional bonds under the 2003 retrofit indenture but only for specific purposes. That would be for capital improvements or for a refunding of the 2003 retrofit bonds. Obviously, it's in the County's interest if any of those bonds are refunded. Those additional bonds however, if they would like the County guarantee applicable to those additional bonds, then obviously the County's approval would be required.

We have also proposed certain remedies be set forth in the documents that the County could exercise in the event that there is ever a call on its guarantee. The first would be the ability of the County to terminate the existing management agreement with the City and appoint a manager of the facility. Secondly, to seek the appointment of receiver by Court if that is desired instead of the appointment of a manager. Both of those remedies would require the approval of the insurer, which would be a requirement of the insurance policy.

Finally, we have recommended that at closing the County be paid a guarantee fee in the amount of \$1,750,000. In addition, the County's out of pocket expenses primarily for the group you see before would be capped at \$155,000. It will not exceed that cost and the City will pay that also out of the bond proceeds. I should note that PFM has done an analysis of its report and that is at Tab 2 on the savings that would be achieved as a result of the County guarantee. Their analysis indicates that these savings were arranged between \$1.5 million and \$2 million. That does assume, of course, that the project could otherwise be financed. It's pretty clear that the current AAA insurer will not finance no matter what the insurance costs are, any further debt for the facility even with a City guarantee. So it's possible that the County is really providing benefits in excess of this \$1.5 to \$2 million. But on the other hand, I think you have a situation of diminishing returns. The larger guaranteed fee that the County seeks to extract, the larger the project costs to be financed. Basically, we felt that the \$1,750,000 was a fair guarantee fee for the County. Understand that at least tentatively the City has accepted that number.

That brings us to our conclusion and basically we will recommend that you proceed with the guarantee ordinance that will be before you, assuming the City acts sometime within

the next week. I think we of course qualify our recommendation a bit. We are assuming that there are substantial public policy benefits for the County participating in this financing and we can understand what they are. That obviously is not the privy of our report. But given those benefits, we think we have accomplished probably about the most that we can accomplish in terms of protecting the County's interest. On that basis, understanding there are risks here, we would recommend that you proceed.

Mr. Haste: I would like to thank the three of you for looking after the County's best interest in this. I know that a lot of these recommendations that are here were your ideas on trying to protect the County and the taxpayers if we were to move forward with this. I appreciate that.

If I read the tab right on the finances, which it appears that they in fact will meet everything they said and there is surplus.

Mr. Zwally: Tab 3, the Pro Forma?

Mr. Haste: I'm reading page 3 of that, is that correct?

Mr. Zwally: That is correct.

Mr. Haste: Projections are to have a surplus in 2007?

Mr. Zwally: That is correct.

Mr. Haste: That is the fund that you were referring to when you said it would be capped at twenty?

Mr. Zwally: That is correct.

Mr. Haste: Okay and if the City approves this tonight and we have the ordinance in front of us next week, these recommendations you have will be included in that?

Mr. Zwally: Yes, one of the documents, which.....keep in mind with all these, documents, there is a lot of work required yet. These documents won't be finalized and your guarantee won't be delivered until the closing, which at this point in time hopefully will occur before the end of the year. So any action you take....

Mr. Haste: That is somewhat critical for this, isn't it?

Mr. Zwally: It is very critical that it occur by then. So any action you take is subject to all the documents being subject to our review and approval and being consistent with the terms that we recommended. But there is a document that is at least close to finalized. It is called a reimbursement agreement. Both the City, the Harrisburg Authority and the County will be parties to that. It sets forth the arrangements for action on the guarantees. It makes it clear that the City's guarantee is primary. The County's

guarantee is secondary. That the County is required to provide funds pursuant to this guarantee and provides remedies against the City and the Authority where they have to reimburse the County. It is in that document that we have also set forth the terms and conditions in our recommendations and both parties by signing that will agree to them. Those provisions will also be set forth in the Trust Indenture and other documents delivered at closing.

Mr. Haste: If in fact the County guarantee were to be called upon, did I hear you to say that if that were to occur, there are remedies against the City so that when they're back on foot, we are made whole?

Mr. Zwally: Yes, question what those remedies are whether adequate, but you can file action against the City. There is a possibility of an equity action requiring them to take action and provide the funds. Hopefully it won't come to that. You should also understand that the guarantee works by flowing funds, the debt service reserve fund. There is a substantial debt service reserve fund being set up for this bond issue. \$8.8 million he tells me. That is there in the event there is insufficient funds to pay principal and interest on the bonds. So that whenever there is a call on the reserve fund, the City is required to provide a reimbursement under its guarantee to bring that fund up to \$8.8 million. If the City fails, then the County will be expected to do that.

Mr. Haste: It also appears that it would be in the City's best interest after some point in time once this is going forward and cash flow is adequate for them to refinance and get us out of this deal, right?

Mr. Zwally: I would expect so. I don't think the Authority or the City is anxious to have the County looking over its shoulder or reviewing items. If there is a refunding that's possible, obviously it is not going to be done unless you can show a savings. But if they could do one and eliminate the County guarantee, I'm sure they would be happy to do that at some point in time. We should all hope that the project is that successful.

Mr. Haste: Right, are there any other questions?

Mr. Petrucci: To assure my thinking in regard to something that Lou has in his report about the swap. That language has come before us in regard to some other things and I just want to make sure that I understand it clearly. What you're talking about there in our risks is as you mentioned, we're swapping a fixed rate of interest on the existing debt for a variable rate on the new debt and that we are also guaranteeing the swap difference. In other words if the interest rates do happen to rise rather rapidly, we're obligated to support those as well.

Mr. Verdelli: That is correct, and the only incorrect part of your statement, was that the swap is all on the new debt to be issued through the new facility. So it is the new debt that will be issued in a fixed rate mode and then a swap is placed on top of that that transfers the rate back to a variable rate. So those payments, whatever they are, the County would be guaranteeing those payments on the swap wherever the variable rate

is. As Chuck mentioned, there is contemplated a 6% cap being purchased for the life of the financing so that rate can move but should not go above 6%.

Mr. Zwally: I should also note in our exchanges of correspondence and discussions, we made it clear that even after you enact the ordinance, that the County reserves the right not only to be sure that all documents are consistent with the terms, but if there is any material adverse change in circumstances, that the County reconsider its guarantee. Certainly, if they are unable to acquire a cap provider at the 6% or some reasonable level, I think we would want to take another look at it.

Mr. Haste: And language will give us that opportunity?

Mr. Zwally: Yes, they have already accepted that concept.

Mr. Haste: Okay, Bob is there anything you want to add to it?

Mr. Grubic: Just the fact that our report speaks for itself and as Chuck has indicated there were a number of components that we looked at, the Barlow feasibility study, the Evergreen Environmental Waste Analysis, the Bucharth Horn report to City Council, and also the site contacts that we did make with Barlow all of which turned out to be very favorable. All of those are included in our report in detail if you want to look at them any further.

Mr. Haste: Did you talk to the other folks at the other plants that they have designed?

Mr. Grubic: Yes, we did.

Mr. Haste: I have heard good things. Is that what you have heard?

Mr. Grubic: Yes, just to summarize, we have talked with actually three facilities that they designed that had similar units that were proposed to Harrisburg, not quite as big. One in Alexandria, Minnesota; one in Harrisonburg, Virginia on the James Madison University Campus; and one in Perham, Minnesota. All of which are either on line or are very close to experiencing startup. All of the owners of those facilities expressed a very very favorable response regarding their dealings with Barlow.

Mr. Haste: Thank you. Solicitors do you have any questions? (There were none) I would like to thank everyone for their reviews. I would like to ask if at all possible, if the City does take action tonight and we are expected to take action next week and if anything changes, I assume you guys are available that we can get a hold of you to run those changes.

Mr. Zwally: Yes.

SALARY BOARD

(The Minutes of the Salary Board Meeting are on file in the Commissioners Office.)

PERSONNEL

Ms. Fisher: There is an addendum to the Personnel Packet, which is located behind the green sheet. Are there any questions on the addendum? I would like to make two changes to the personnel packet that was presented at last week's workshop. On the workshop agenda new hires listing, I would like to remove new hire #5 and new hire #6.

Mr. Haste: #5 & 6?

Ms. Fisher: That is correct. The rest of the packet as well as the proposed 2004 Holiday Schedule and 2004 Pay Schedule stands as presented.

Mr. Haste: Are there any questions for Faye? Is there a motion to approve the personnel packet as amended by Faye?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: Is there any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

PURCHASE ORDERS

Mr. Baratucci: Commissioners from the packet that was presented last week, I did add that item that we discussed. It is on page 8. It is the new fire pump for the Veterans Building. It was the item that we discussed last week that would be added. It is on there. In addition, there was an item that we pulled from the packet. It's not in the new packet that you got. It was on page 18. It was two printers for the Adult Probation Department. They were not approved by the Court Administrator's Office who oversee all of their requests. So those items were pulled. So the new packet has those items out, the additional fire pump item in and it stands for your approval. All of the budget items were resolved.

Mr. Haste: Are there any questions for Mr. Baratucci? Is there a motion to approve?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: Is there any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR

Mr. Yohe: Commissioners, once again I have two items on the Agenda.

- A. Budget amendments for the third quarter calendar year budgets and the first quarter fiscal budgets.
- B. Investment Report.

About a week ago or so, you should have received the budget amendment report for the quarters ending September 30. I'm here to answer any questions that you might have on those. There were very few, if I remember. In fact, there were none on the fiscal report.

Mr. Haste: The CCAP Information Technology Grant, is that for the Public Defender?

Mr. Yohe: Yes.

Mr. Haste: Okay.

Mr. Petrucci: Mike, I have a question. On the 2003 calendar year budget amendments through September 30 projected fund balance usage adopted was \$9 million. That would leave what in the fund balance? Six million?

Mr. Yohe: Are you talking about the general fund?

Mr. Petrucci: Yes.

Mr. Yohe: At the time we did the \$9 million, no, it was much lower than that. Our projections now are, yes around \$6 million.

Mr. Petrucci: Around \$6 million would be projected now.

Mr. Yohe: At the end of the year, yes.

Mr. Petrucci: Okay, thank you.

Mr. Yohe: Again these are changes to the bottom line of the individual funds.

Mr. Haste: Are there any further questions for Mike? Is there a motion to approve the budget amendments for the third quarter calendar year budgets and the first quarter fiscal year budget? I'll make the motion. Is there a second?

Mr. Henry: Second.

Mr. Haste: Is there any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries. The investment report, Mike.

Mr. Yohe: The report is listed below.

Report from the Office of Budget & Finance October 28, 2003

- **October 17, 2003** transferred **\$9,821,774.06** to the **Payables** account and **\$1,763,553.92** to the **Payroll** account **from the County's Concentration account** for checks issued that week.
- **October 24, 2003** transferred **\$142,811.48** 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 \$120,938.37 rate 0.99%**
- **Balance today in Northwest Savings Bank Money Market account \$41,425,683.43 rate 1.75%**

I have been notified that November's rate at Northwest is going down to 1.5%. However, I'm in the process now of establishing an account at Community Banks that will pay 2.0% for the next six months. I'm going to stay on top to see if I can get anything higher than that.

Mr. Haste: Where is that at?

Mr. Yohe: Community Banks. Hopefully, by next week we will have that set up. You should be getting some paperwork to sign shortly on that.

Mr. Haste: Are there any questions for Mike?

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – ROBERT BURNS

Mr. Burns: Mr. Chairman, the Board may recall that on several instances Mr. Cluck and Commissioner Petrucci have asked when our Solid Waste Advisory Committee will meet. That's our group of in-house experts to advise the Board on our municipal solid waste plan. That group is going to meet this Thursday evening at 5:30 here in the Hearing Room. The meeting is open to the public and the subject matter is the proposed revisions that the County will be filing with DEP in the near future. Either I or Commissioner Haste will be present to discuss the contract that the County recently entered into with the City to send our waste to the incinerator. It is open to the public. That is all I have to report, Commissioners.

SOLICITOR'S REPORT

Mr. Knupp: Mr. Chairman, the Solicitor's Report as presented at Workshop stands with the amendment of Item #6 on the report. It is my understanding that at the direction of the Board that matter will be subject of a request for proposals procedure for professional services that are to be rendered to the County.

Mr. Haste: Are there any questions of the Solicitor?

MATTERS REQUIRING BOARD ACTION

- A. Training Packet
- B. Approval of FY03/04 Per Diem Rates between the Children & Youth Agency and:
 - 1. Via Quest Behavioral Health of PA, LLC dba Seven Mountains Academy
Group Home for Females \$217.18/day
 - 2. Hempfield Behavioral Health, Inc.
Nurse Family Partnership \$2,343.75/mo.
- C. Real Estate Tax Refunds/Exonerations:
 - 1. Partial refund of 2003 real estate taxes to Frank H. Grumbine,
130 Dock St., Royalton Borough, parcel #54-002-050, in
the amt. of \$93.05.
 - 2. Partial refund of 2002 & 2003 real estate taxes to Anna Marie Mader,
6901 Somerset St., Swatara Township, parcel #62-020-054, in
the amt. of \$74.25.
 - 3. Partial refund of 2003 real estate taxes to Szeles Investment Co.,
999 East Park Drive, Lower Paxton Township, parcel #35-074-038,
in the amt. of \$931.25.
 - 4. Refund of 2003 real estate taxes to Northwestern Human Services,
727 N. Highlands Circle, Lower Paxton Township, parcel #35-117-055,
in the amt. of \$577.12.
 - 5. Partial refund of 2003 real estate taxes to Kyle B. Maddow Jackson,
615 S. 23rd St., City of Harrisburg, parcel #13-061-005, in the
amt. of \$19.37.
 - 6. Partial refund of 2002 & 2003 real estate taxes to Barbara Crowley,
615 S. 23rd St., City of Harrisburg, parcel #13-061-005, in the

- amt. of \$96.85.
7. Partial refund of 2002 real estate taxes to James McElwee, 333 Waco Drive, East Hanover Township, parcel #25-008-008-333-0333, in the amt. of \$126.00.
 8. Refund of real estate taxes to Patsy R. Donmoyer, Tax Collector, for taxes collected on parcel #35-104-105 in the amt. of \$466.05. (received bad check)
 9. Partial refund of 2003 real estate taxes to Hershey Entertainment & Resorts Co., Park Boulevard, Derry Township, parcel #24-009-050, in the amt. \$2,672.42.
- D. Telecommunications Services Agreement with Verizon Select Services, Inc., for Internet IT connection at EMA to build a redundant Internet link to the existing technology located within Information Technology Dept.
- E. Adopt Resolution No. 24-2003 recommending the amending of the By-Laws of the Dauphin County General Authority.
- F. Approval to extend the AFSCME Contract for Spring Creek employees.
- G. Refund of 2002 property and library taxes to Foot Locker, Inc., for parcel #45-021-004, #65-033-129, #64-33-130, and #65-033-189, in the amt. of \$4,575.16.
- H. Change Order #2002-01-16 with Herre Bros., Inc., for Phase I renovations to the Dauphin County Courthouse, in a credit amt. of \$526.34.
- I. Mass Transit Services and Funding Agreement between Dauphin County, the City of Harrisburg, County of Cumberland, and the Cumberland-Dauphin-Harrisburg Transit Authority ("CAT").
- J. Subordination Agreements:
1. Trina L. Elliott for property located at 2340 N. Sixth St., Harrisburg, PA
 2. Ryan P. Grady for property located at 2618 River Road, Middletown, PA
- K. Satisfaction Pieces:
1. Linh D. Nguyen for property located at 2352 Derry St., Harrisburg, PA
 2. Douglas and Tamara Kertulis for property located at 5522 Hazel Street, Harrisburg, PA
- L. Intent to Award; Notice to Award; and Notice to proceed with bid Award and Contract with Jay Fulkroad & Sons, Inc., for the 2003 Bridge Maintenance repairs. (Per recommendations of Herbert, Rowland & Grubic, Inc.)
- M. Letter Agreement between Dauphin County Adult Probation and the PA Board of Probation and Parole for renewal of the Supervision Fee Contract for the period of 7/01/03 through 6/30/04.
- N. Agreement between Dauphin County Solid Waste Management Agency and Envirocycle for a Dauphin County recycling event to be held November 8, 2003.
- O. Approval of recommendation from Randy Paul & Associates, Inc., to accept the base bid from Edwin L. Heim Company for the modifications to the Stair Tower Heating in Cell Blocks at the Dauphin County Prison.

- P. Third Amendment to the Administrative Agreement between Dauphin County MH/MR and the Capital Area Behavioral Health Collaborative (CABHC).
- Q. Commercial Lease Agreements between Dauphin County and 1100 Associates, Inc., for the following offices:
 - 1. Edgewater Psychiatric Services, Inc.
 - 2. Dauphin County Executive Commission on Drugs & Alcohol, Inc.
 - 3. Dauphin County Mental Health/Mental Retardation Case Management Unit, Inc.
- R. Adopt Resolution No. 25-2003 authorizing submission of the Annual Action Plan for FY2004 with the U. S. Dept. of Housing and Urban Development and a Community Development Block Grant and HOME Program.
- S. Reappointments to the Dauphin County Industrial Development Authority:
 - 1. Matthew Steck – term will expire 10/01/08
 - 2. Brad Forman – term will expire 10/01/05

Mr. Haste: Bob, could you discuss the training packet?

Mr. Burns: Commissioners, there was an addendum to the packet. Items #9-12 are new. They are additions since the Workshop.

Mr. Haste: We have before us Items A-S. Are there any matters A-S that the Board would like to pull out and vote on separately?

Mr. Henry: Yes, I would like to pull out Items D & E.

Mr. Haste: Is there anything else? Is there a motion to approve Items A thru S with the exception of Items D & E?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: Is there any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries. Item D?

Mr. Henry: Mr. Chairman, I will need to recuse myself from that vote.

Mr. Haste: Okay.

Mr. Petrucci: I will make a motion that we approve Item D.

Mr. Haste: I will second that motion. Any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries. Item E, Commissioner Petrucci.

Mr. Petrucci: I make a motion that we accept Item E. It has been presented to the Board in a previous meeting for discussion. Discussion has occurred. This is largely a set of amendments that would allow for the Board of Commissioners to better engage itself with activities of the General Authority and I move the approval.

Mr. Haste: I will second that and ask for discussion.

Mr. Henry: Mr. Chairman, let me congratulate Commissioner Petrucci on becoming a recent convert to my position relative to the operations of the Dauphin County General Authority. I think a brief history lesson is in order. The problems that he is seeking to address at the Authority are problems that he caused. I think that needs to be kept front and center. We should always remember that Forum Place was purchased over the signature of two county commissioners. It was not Sally Klein. It was Anthony Petrucci who signed that. The same thing with Dauphin Highlands. It should also be kept in mind that Commissioner Petrucci was the Commissioner who appointed the members of the General Authority that engaged in an unfettered monopoly game that placed it in the financial straits that it is in. We should also remember that it was Commissioner Petrucci who sat here for eight years and failed to exercise any oversight over the General Authority. It was only when Commissioner Payne and I took office that we replaced the General Authority Board and I will note that since Commissioner Payne and I took office not a single property has been purchased. In fact, we have divested of properties which is what we promised in our campaign. The General Authority Board, all five members, currently are following a policy of trying to place each property in the best financial health possible with an aim toward divesting each of those properties which I think is something we all agree should be done except of course those properties that are utilized for the proper services of county government. Far from being a knight on a white horse, this is a political exercise aimed at trying to rewrite history which is not something that I think can be done. Having said that, I'm not going to get into an extended debate and discussion on each of these items. However, faulty as some of them may be, I do not wish to participate in the political exercise that the Commissioner is involved in; therefore, I will abstain from voting on this motion.

Mr. Petrucci: Mr. Chairman, I would like to respond to some of the comments that were made by my colleague. History does go back all the way for twelve years for me. When I first was elected Commissioner, one of the things that I wanted to do most was to check out the workings of the General Authority and for close to a full year I attended every Board meeting of the General Authority trying to get a handle on how it did, what it did, and why.

After becoming knowledgeable to the extent that is possible on this kind of archaic information and business, I did make several recommendations to the Board of Commissioners in regard to what ought to happen with that General Authority. One was that the General Authority was basically operating and selling services that the County had allowed it to sell without any fees being charged coming back to the general fund of the County. I made a proposal to the Board of Commissioners that a 1% fee be tacked on for every dollar of loaning services that were rendered by the General Authority. They argued against it and the majority commissioners voted against that fee. So our Authority was able to basically undercut for its own benefit any other general authority that was charging fees and bringing revenues back to the body that had created them. This enabled our authority to become the second largest authority in the state. Only larger one was the state general authority itself.

I also on several occasions fostered bringing the General Authority under control by the Commissioners to watch over what they were doing. Those suggestions were constantly rebuffed by the majority commissioners. Just as a point, the Patriot pointed out that Mayor Reed is able to use \$471,000 of fees that the Harrisburg General Authority collected to be used for museums. Our Authority has collected all kinds of money and we got nothing but a check for \$100,000+ after being pressured by the previous board for some kind of payment. We did get some in lieu of tax payments back from them for the properties that they got. But we did not institute a regularized fee for services of the General Authority. What did they do with the money? They pretty much pocketed it in the sense that the Board paid itself compensation and put it into the hands of an awful lot of consultants. It is for those reasons that I think this Board still, this Board, and I'm saying we had a renegade Board of authority, General Authority, now we got a rogue General Authority. Yeah, they are two different authorities doing the same thing as far as I can see. They still need to be corrected. They still need this Board of Commissioners to further oversee and watch their activities and bring it into light of what is in the interest of the citizens of Dauphin County.

I have enjoyed my twelve years working with my colleague. I am sad that on occasion we have not had a chance to really deal with some of the issues that needed to be dealt with. This is one of them. I'm not doing this for any political reasons. I have no personal reasons to gain here in politics so I eschew those kinds of comments about this being a political kind of thing. It is not. My colleague is an accomplished thespian. He is a great actor. But he also is a premature articulator and I think he was premature in....

Mr. Henry: Aren't we getting a little personal here.

Mr. Petrucci: Premature in articulating some those points that he made in referring to me so I will not take them personally but only as a reflection of his thespian activities.

Mr. Haste: I had a discussion with Chairman Liptak and I know that this Board is in fact trying to put the General Authority on the right course. I think it is accurate that they have not pursued any more projects that they need not to be pursuing. I commend

them for doing that. This is a resolution from the Board of Commissioners making recommendations to the General Authority. What ultimately happens is up to them. This is something that I think we are expressing our interest that they take a look at. I would welcome the General Authority to look at these points and any other points that they feel could move the Authority in a proper direction to benefit the citizens of Dauphin County and not what has occurred in the past. With that, we do have a motion and a second. I will call for a vote on this and again ask the Authority to look at this and any other thing that they think could improve our situation. All those in favor say, aye.

Mr. Haste & Mr. Petrucci: Aye. Noted that Commissioner Henry abstained.

FORMER BUSINESS

Mr. Haste: We have former business. Is there anything that needs to be brought up under former business? (There was none)

NEW BUSINESS

Mr. Haste: Is there anything the Commissioners would like to bring up under new business?

Mr. Petrucci: I received in the mail a newsletter from Lower Paxton Township. A very nice newsletter that also has ads that are sold and I would reiterate my suggestion that our public relations, public information officer, look at assessing all the department costs for mass mailings that they make and contemplate some kind of financial savings by doing a county general newsletter or mailing that combines the recycling department, parks and recreation department and a multitude of others that need to reach out into the community. I think that we might expand our capacity to hit all citizens with some kind of a newsletter instead of the partial coverage we currently get and do so at financial savings. I would ask that we ask her to undertake such a study and look at it.

Mr. Haste: I believe she is.

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. Haste: Is there anything under Commissioners' discussions and actions? (There were none).

CORRESPONDENCE

Mr. Haste: On the agenda you will see items A thru K under correspondence. These are items that the Board of Commissioners have received this week and will be handled by the appropriate staff.

- A. Notification from Melham Associates, on behalf of Zimmer-Grove Homes Inc., indicating they will be filing an application for an NPDES permit for the proposed construction of Phase 6 of Stoneybook located on the southerly side of Union

Deposit Road and the westerly side of Simsbury Drive.

- B. Notification from Dura-Bond Pipe indicating an application has been made for a renewal of a facility-wide air permit to DEP for its facility located in Steelton Borough.
- C. Notification from Earth Tech, indicating that a proposed State Only Operating Permit has been submitted to Reiff & Nestor by DEP. The permit covers various sources of air pollution and pollution control devices used in R & N's manufacturing process, including a chromium scrubber that was recently installed to comply with NESHAP requirements for electroplating processes.
- D. Notification from Civil & Environmental Design Group, on behalf of East Hanover Township, indicating they plan to submit a General Permit Registration GP-7 Minor Road Crossing to DEP for the West Dairy Lane Construction Access Drive.
- E. Notification from Peri & Stewart, L.L.C., submitting a Notice of Intention to withdrawal from doing business for the Medisan Pharmaceuticals, Inc., in the Commonwealth.
- F. Received notification from Caldwell & Kearns indicating a notice to dissolve the corporate existence of Grace, Reed & Kreider with their principal office located at 1505 East Chocolate Avenue, Hershey, PA.
- G. Received the following correspondence from Herbert, Rowland & Grubic, Inc.:
 - 1. Dauphin County NBIS Bridge Inspection Program – 2003 Inspection Cycle Reports.
 - 2. A letter indicating a Partial Completion of Paxton Street Two-Way Project, County Aid Grant, Project No. C-03-22102-07CA.
 - 3. A letter in reference to the rehabilitation of Dauphin County Bridge No. 43A, Henninger Farm Covered Bridge, Washington Township, Dauphin County, Temporary Shoring Layout Submittal; Brick Pavers Submittal; and Paint Submitta.
 - 4. Dauphin County 2003 Bridge Maintenance Repairs Project Manual
- H. Notification from Raudenbush Engineering, Inc., on behalf of Wellkept Properties, Inc., of Lebanon, PA, indicating the applicant is preparing an erosion and sedimentation control plan for land development project located at 400 East Chocolate Avenue, Hershey, PA.
- I. Notification from Hayes Large Architects, on behalf of the Susquehanna Township School District, indicating they will be applying for coverage under the General NPDES Permit for discharges of storm water due to construction activities located at the north west of the intersection of Linglestown Road and Crooked Hill Road, in Susquehanna Township, Dauphin County.
- J. Notification from Civil & Environmental Design Group, on behalf of East Hanover Township, indicating they plan to submit a Notice of Intent for Coverage under the General NPDES Permit to DEP for the West Dairy Lane construction access drive.
- K. Notification from Rettew, on behalf of James Novinger, indicating they plan to submit an Application for a Chapter 105/Section 404 Joint Permit to DEP for a site located in Middle Paxton Township, Dauphin County.

PUBLIC PARTICIPATION

Mr. Haste: We are back again at the point in time in the Commissioners' Meeting for public participation. Is there anyone in the audience that would like to address the Board at this time? (There were none)

Just a reminder before we recess, I believe we have Retirement Board.

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn the meeting?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: All those in favor say, aye.

All: Aye.

Mr. Haste: Meeting adjourned.

Transcribed: October 28, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff
printed 11/20/03