



DAUPHIN COUNTY BOARD OF COMMISSIONERS

LEGISLATIVE MEETING

TUESDAY, DECEMBER 9, 2003

10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Robert Burns, Chief Clerk; Bill Tully, Esq., Solicitor; Marie Rebeck, Controller; Robert Dick, Treasurer; President Judge Joseph Kleinfelter; Phil Spaseff, Recorder of Deeds; Robert Knupp, Esq., Solicitor's Office; Bruce Foreman, Esq., Solicitor's Office; Guy Beneventano, Esq., Solicitor's Office; Carolyn Thompson, Court Administrator; Tiva Woods, Chief Court Reporter; Mike Yohe, Budget Director; Randy Baratucci, Purchasing Director; Edgar Cohen, Facility Maintenance Director; Garry Esworthy, Risk Manager; Rick Wynn, Human Services Director; Richie Martz, Commissioners' Office; Jane Gordon, Commissioners' Office; Kacey Truax, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Jennifer Kocher, Communications; Diane McNaughton, Communications; Mike Pries, Security Director; Steve Howe, Director of Tax Assessment/Tax Claim; Shari Eagle, Information Technology; Michaelene Barone, Adult & Family Services; Kay Sinner, Personnel; Gary Serhan, Deputy Controller; Dave Skinner, Controller's Office; Deb Lisi, Controller's Office; Dan Robinson, Director of Economic Development; Julia Nace, Assistant Chief Clerk

GUESTS PRESENT

Commissioner-Elect Nick DiFrancesco; Rich Bowra; Karen Cullings; Catherine Albwan; James Weiner; Charles Henery; Jack Shertzer

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 November 13, 2003 Legislative Meeting Minutes and the November 18, 2003 Workshop Meeting Minutes before us. Can we take a motion for those two?

Mr. Henry: So moved.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries. Next we will take the November 18, 2003 Salary Board Meeting Minutes. The Salary Board are the three Commissioners and the Controller. Is there a motion to approve those Meeting Minutes?

Mr. Henry: So moved.

Mrs. Rebuck: Second.

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

All: Aye.

Mr. Haste: At this point in time, we will recess and go into Election Board.

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

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Burns: Commissioners, there were no Executive Sessions since the last public meeting.

PUBLIC PARTICIPATION

Mr. Haste: We are 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 of Commissioners at the time? (There was none.)

DEPARTMENT DIRECTORS/GUESTS

A. Tom Herman, Business Agent & Members from PSSU

1. Signing of the PSSU contract.

Mr. Herman: Good morning ladies and gentlemen. I'm the business agent for the Pennsylvania Social Services Union. We're here today to sign the collective bargaining agreement between Dauphin County and PSSU. I have just a very brief statement. This was not necessarily the easiest negotiation. The employer, being Dauphin County, and the Union didn't get everything they wanted. Well that is not surprising in a labor contract. Both parties did get some significant improvements in the collective bargaining agreement and both parties didn't get some things they wanted but it is the nature of negotiations. Our membership ratified the agreement and are pleased to execute it at this time. I would like our bargaining committee to come up and sign the contract with you.

Mr. Haste: This Board needs to take official vote to approve the agreement. Is there a motion to approve the PSSU contract that is before us?

Mr. Henry: So moved.

Mr. Haste: Is there a second?

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries and now we can sign it.

PERSONNEL

Ms. Sinner: There is only one thing in the personnel packet. It is the changes listing. There are three transfers.

Mr. Haste: They're going from part-time to full-time, right?

Ms. Sinner: Yes, so there is no change in the hourly rate of pay.

Mr. Haste: These are three EMA trainees that are moving from part-time to full-time. Are there any questions for Kay?

Mr. Henry: #3 is no relation, by the way.

Mr. Haste: Is there a motion to approve the personnel packet?

Mr. Henry: So moved.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

PURCHASE ORDERS

Mr. Baratucci: Commissioners in addition to the items that were in the packet last week and the items that I told you that we were going to add, there was two more that we needed to add. One is on page 12, it is another one for CID for the Tact Force. They added some medallions more awards for the CRT Team that were also needed to be purchased or paid for before the end of the year.

The second item is on page 20. It is an item for Weatherization. This item got through the mail a little late and didn't get in in time for last week's workshop. Those two items were added along with the ones that I mentioned last.

In addition, on page 25, there is an item that we will need to pull from this week's packet because it has not been resolved yet by Spring Creek. This is the item for the Wander Guard system. There still seems to be some confusion as to exactly what the price is going to be. They haven't been able to resolve that yet. So we would like to pull that. They have asked that, if they can resolve this issue, if we would bring it back to you next week at the workshop and if we could approve it because today is supposed to be the final day for purchase orders for the year. But there is always usually a couple of stragglers that come in before the end of the year. I will bring them to your attention

prior to the meeting. If you want to put it in, we can. This one, we tried to resolve it but we are just waiting for information to come back from the company. As soon as we get that, I'll be back in touch.

Mr. Haste: The issue isn't who we are going to award it to, the issue is the amount?

Mr. Baratucci: The amount is \$39.50 but we are not really sure that is the total amount. Of course, as you know anything over \$4,000, unless there is some special exemption, requires more than one quote. To answer your question, this is the company that they would like to use and this is the company that we think will work the best in conjunction with the system that is already there. But those are some of the questions that we need to have answered. Depending on the answers, we may or may not be able to go with this company. We may have to get quotes or we may even have to go to a bid. There are some things we need to resolve. So if you could approve the packet, minus requisition #100456 on page 25, all the budget issues have been resolved by Mike. I want to pull that one until we can get this issue resolved.

Mr. Haste: Are there any objections to that? Is there a motion to approve the purchase order packet with the removal of requisition #100456 on page 15?

Mr. Henry: I'll make a motion that we approve the purchase order packet as amended.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR

Mr. Yohe: Once again, I have two items on the agenda. We'll get through the investment reports and then move into the budget.

If you will recall at the last meeting, I wasn't able to prepare the investment report so for the record I will read the November 18th investment report.

November 14, 2003 transferred **\$5,538,032.45** to the Payables Account and **\$1,909,527.40** to the Payroll account from the County's Concentration Account for checks issued that week.

Total Term Investments – N/A

Balance today in INVEST account \$121,039.38 rate 0.99%.

Balance today in Northwest Savings Bank Money Market account \$32,665,140.08 rate 1.50%.

That concludes the November 18th report.

We have had three weeks since the last meeting.

December 9, 2003 Report

November 21, 2003 transferred \$139,934.49 to Payables account from the County's Concentration account for checks issued that week.

November 28, 2003 transferred \$9,228,776.65 to the Payables account and \$1,912,866.75 to the Payroll account from the County's Concentration account for checks issued that week.

December 5, 2003 transferred \$487,426.80 to Payables account from the County's Concentration account for checks issued that week.

Total Term Investments – N/A

Balance today in INVEST account \$121,039.38 rate 0.99%

We are phasing Northwest out and Community Banks in because they are giving us a little better rate.

Balance in Northwest Savings Bank Money Market account \$899,360.64 rate 1.75%

Balance today in Community Banks Money Market account \$26,927,530.83 rate 2.00%

That will conclude the investment report.

Mr. Haste: Are there any questions for Mike?

Mr. Yohe: The second item on the agenda is the approval of the 2004 budget.

B. Adoption of the proposed 2004 Calendar Year Budget and Resolution No. 28-2003 levying a tax on real estate in the County for the year 2004; fixing the County Real Estate Tax Rate, and discounts and penalties applicable thereto, for the year 2004; and appropriating specific sums required for purposes of county government, as set for the County's budget for the year 2004; and levying other taxes for specified purposes.

Mr. Yohe: Just a little background. Today is the day that we have advertised to approve the Calendar Year 2004 Budget for Dauphin County. On November 18th, we made it available for public inspection. That was three weeks ago so we have met our twenty day requirement. We had proposed on November 18th a 19 ½% tax increase to cover our estimated costs for next year. In the last three weeks, I've made lots of minor changes to this document. I've updated various salary items as they come before the Board. I went through it numerous times just making sure the math was correct, making sure all the appropriate equipment was removed as we have discussed and I was not able to come up with any material changes since that time. So basically what I am saying, the document before you is in most respects the same document that we laid on the table on November 18th.

You will notice the General Fund actually increased about \$60,000 from when we laid it out on November 18th. The main reason for that was a note that I had gotten from the Conservation District to bump up a stormwater management plan. Most of that was offset by a revenue increase also. So the total General Fund did increase slightly.

That is a summary from where we are from November 18 until today. If you want, I can go down through the short summary sheet that I gave. I didn't feel it necessary to go through all those charts of everything that we went through the last time because it really didn't change much.

I will go through for the record and make sure everybody is on board with what is up for approval today. The General Fund is \$105,872,457.00. That is an increase of \$10,585,651 over the current 2003 budget or 11.11% increase.

Domestic Relations for 2004 is \$4,792,257.00 or a 6.81% increase.

Liquid Fuels is \$1,175,486.00, there is a slight decrease of \$143,000.

Low Income Housing and Hotel Tax Fund, like I stated the last time, these are two new funds as far as budgeting goes. We've had these funds for awhile but we never really provided any budget for them in the past. For the record we will put some budget figures out there now in the system. The Low Income Housing Fund next year will be \$384,000 a slight reduction from the current year. The Hotel Tax is \$4,108,800 the same as 2003.

Capital Projects Fund is \$3,515,000, that is essentially finishing up the projects of the downtown renovations.

Spring Creek is \$31,206,358 or a 9.25% increase. The Spring Creek Depreciation Fund is \$850,222. We are showing a large decrease in that fund only because they've pretty much saved money the last several years to put into the project. We are back to more or less a normal year in that depreciation fund. Money in, money out.

EMA 911 Communications Fund is \$6,765,552 for 2004. That is a slight decrease also.

Solid Waste Management is \$2,375,079. There we have a large increase, more than double in that budget, because that is to take into account the recycling center that is under way for next year.

Mr. Haste: That is the grant funds?

Mr. Yohe: Yes, that is offset by grant funds.

The final calendar year budget that is up for approval today is the Parking Garage Human Services Building Fund. That is \$2,074,288. That is pretty much the same as the 2003 budget.

All eleven funds combined total \$163,114,499.00 which represents an \$8,426,165.00 increase over the 2003 budget. Or a grand total of 5.45% if you look at all calendar year funds together.

Second part of the summary is the General Fund which supports all funds in the County in one way or another through transfers. This just summarizes all the transfers to all the other funds that are necessary. If you look at that, we are looking at \$16,014,970 as a total budgeted transfers to all the other funds within the County. All the tax revenue comes into the General Fund, real estate tax revenue and then through transfers. That is how we support all the other operating funds in the County.

The only other page that I pulled out from the last meeting, when it was made available for public inspection, was more or less the highlights on the different items that are contained so everybody is clear as to what is in this budget.

I can go through each one for the record. The union wages were budgeted per contracts as I knew them. Nonunion or unsettled union increases were budgeted at 4%. Also included is, we carried forward the vacancy adjustment that has been in the 2002 & 2003 budgets. That total is almost \$1.4 million and that is included in this 2004 budget. We need to manage vacancies next year similar to what we have done successfully the last two years.

We have for the first time \$800,000 for a bond issue to upgrade EMA's or the County's Emergency Communication System. That would represent a half year debt payment on a total of a \$35,000,000 Issue for this project.

A big item that we have been looking at the last several weeks is that this budget does not contain any funding for pension for next year in anticipation of floating a pension bond. That would total about \$4.67 million. If in fact we didn't move forward with that, we would have to add \$4.67 million back into the General Fund.

We brought the CAT subsidy in the amount of \$320,000 and the Tri-County Planning subsidy in the amount of \$250,000 back into the General Fund from the Hotel Tax Fund where they were moved several years ago.

One big consideration that we had throughout this whole process was when to upgrade the county-wide reassessment again. This budget does not include that action. Future projections which I have given you include starting that in 2005 instead of 2004.

We have the sale of the Veterans Building included which is about \$1.7 million with the idea to generate some income for the County and also put that building back on the tax rolls for next year.

We have a \$1 million transfer included and that should finish the Courthouse renovations.

We have two new district justice offices that are expected to start in 2004. That has added about \$400,000 to this budget for the first time. There has been a lot of talk in the press the last several years about the debt payments on the downtown renovations of this building and the Courthouse. 2004 will be the first year that we have been actually making any payments on that from the General Fund, out of the general fund tax dollars. That totals about \$1.57 million.

One thing that I need to highlight is even with the proposed tax increase the revenues are still not covering the expenses. We are still anticipating drawing down about \$3 million of fund balance in order to balance the 2004 budget.

Finally, when it is all said and done, at the end of 2004 I can only show that we are only going to have about \$330,000 left in our balance at the end of 2004. That is down slightly from the numbers from back on November 18th. There has been some additional spending that I came across. I outdated the 2003 projects and some of that can be contributed to some additional spending that I came up with at the end of the year. The reason that the estimated fund balance dropped was a pension charge to Juvenile Probation that I had missed and I came across when I was doing my final updates. For whatever reason that shouldn't be in Juvenile Probation but we are going to get that changed. That is why that dropped from \$500,000 to \$330,000.

Again, I gave you another handout with the five year projection on it. As you can see the last two items, items 12 & 13, under the approved 2004 column \$328,800 at the end of 2004 includes the 20% or the 19 ½% tax increase.

Those are the documents. This is an update as of today. The projection is updated to reflect these numbers. Bottom line the 2004 budget does include and there is a resolution here that will authorize raising the real estate tax from the current 4.835 mills to 5.778 mills which is a change of .943 mills or 19.5%. Also included which isn't really reflected in here though but is included in the resolution is an increase in the library tax

millage rate from .233 mills to .350 mills or a change of .117 mills or 50.21%. That is for all municipalities except Derry Township and Middletown Borough.

That is all I have. I'm open for questions or discussion.

Mr. Haste: Questions or comments for Mike.

Mr. Henry: Mike, looking over your numbers, I see the expenditures are up what \$11.2 million over from 2003 to 2004? And the revenue is up about \$14 million and we are carrying over \$3.3 million from the current year, which actually gives you available additional revenue of \$17.3 million, yet the balance drops to \$328,000. How does that happen? Am I missing some other expenditure category here or....it seems if the revenue is going up by \$14 million and the expenditures are only going up by \$11.2 million, that ought to be adding to the balance not taking away around \$3 million.

Mr. Yohe: If you look at the approved 2004 column on that budget projection, you got a total revenue budget of \$102 million, which you would add the \$3 million carried forward. You are looking at the two of those together is \$105 million or \$106 million roughly.

Mr. Henry: Correct.

Mr. Yohe: Our expenses are \$105,872,000. Right off the top of my head, I can't think of the reason mathematically what you are saying isn't correct but....

Mr. Henry: It doesn't add up because then your expenditures go from \$94.6 million to \$105.8 million. Just a quick calculation which is subject to error when I do it. I come up to about \$11.2 million to increased expenditures. So if you have a \$11.2 million increase in expenditures but a \$14 million increase in revenue.

Mr. Yohe: The piece that you are missing is, look at the 2003 numbers. See the \$9.9 million, we are using over \$6 million of that. So you would have to add that \$6 million to the revenues which would be \$94 million which means our revenue total is going from \$94 million to \$105 million.

Mr. Henry: So actually the revenue for the amount that was expended in 2003 includes the \$88 million plus the \$9.9 million.

Mr. Yohe: Plus \$6 million.

Mr. Henry: Plus \$6 million of it, okay. That explains the difference. I was wondering why it wasn't.....thank you, that does make more sense.

Mr. Petrucci: Mike, I recall asking this in the hearing phase and I'm not quite secure yet in regard to your response still. The placement of the \$1.4 million that we were to receive from the incinerator deal with the City is not in this budget.

Mr. Yohe: That is correct.

Mr. Petrucci: If we are putting in expected revenues from the sale of the Veterans Building why would we not put in the \$1.4 million expected revenue from the incinerator deal?

Mr. Yohe: The idea with those funds was to put those in the Capital Projects Fund to use for future capital needs. I know several off the top of my head. The removal of the modular units at the Prison has not been done yet. We need some funds for that. I heard that there is a new roof for various places. That was the idea. You are correct that it is not in there but the plan is to deposit those funds in our Capital Projects Fund.

Mr. Petrucci: In fact then, wouldn't the Capital Project Fund be considered sort of like a fund balance.

Mr. Yohe: It could be, correct.

Mr. Petrucci: So we really might be able to state then instead of just \$333,000, we might have close to \$1.7 million in fund balance if you counted project fund.

Mr. Yohe: If we need to use that, that would be available next year. With the projection of \$330,000, we may very well need to use that next year.

Mr. Petrucci: Okay.

Mr. Haste: Any other questions or comments?

Mr. Henry: Are we going to take comments prior to the motion or?

Mr. Haste: We can do it either way. Is there a motion?

Mr. Petrucci: I'll make a motion that we accept the proposed budget for 2004.

Mr. Haste: That is a motion for Resolution No. 28-2003?

Mr. Petrucci: Yes.

Mr. Haste: Is there a second? I'll second it. Discussion?

Mr. Henry: Yes, Mr. Chairman. I have a number of problems with this. First of all, I do know that there has not been very much progress made in the last several weeks towards reducing expenditures. I always like to benchmark what we are doing against what counties around the state and other states are doing and watching media coverage of other counties.

Let me say, first of all the fact that we are in a tight budget is something that everybody is facing. It is endemic to counties nationwide as well as states and the federal government for that matter. But around Pennsylvania, counties have been cutting costs, cutting expenditures more than they have been raising taxes. Although some counties have employed a combination of those mechanisms in order to get their budgets to balance. I'll note that the county commissioners in Lebanon County, although they have approved a small tax hike, did in fact go into the elimination of some 26 positions as well as cutting hours in a number of other positions in order to hold the tax hike down. In Allegheny County, I'll note that they managed to approve a budget that includes \$7 million in property tax reductions. That happened because they had the fiscal discipline to not only not increase spending but actually required a 3% cut in every department of county government and actually reduced their expenditures in order to avoid a tax hike.

Now I'm looking at our budget, I frankly don't see much in terms of reductions as a matter of fact our budget is sort of Rendellian in it's outlook in as much as we face a very difficult budget year. That really requires us to be making cuts. But rather than do that we are increasing spending significantly. We are increasing debt significantly and simply raising taxes to cover all of the above.

Now note only \$1.57 million on the proposed \$11 million increase comes from previously approved debt service. But let me point out just a couple of items that jumped out at me in the budget that I think are cause for concern.

First of all the movement of CAT and Tri-County Planning subsidies from the Hotel Tax Fund into the General Fund represents a \$570,000 additional burden on the property taxpayers of Dauphin County. Now we have often lamented the fact that we haven't had Tax Reform and certainly that is what is driving our budget as well as county budget problems all across the state. We were fortunate in Dauphin County three years ago that whenever the Hotel Tax Legislation was improved the Commissioners working together with our state legislative delegation had specific language inserted into the law that gave us as Commissioners flexibility that no other county in the state has. We have used that money to try to hold down and share the burden of county government on other than property owners and sort of made that our own mini tax reform if you will. Part of that was taking this \$570,000 out of the General Fund and putting it into the Hotel Tax Fund which at the time we felt appropriate because both CAT and Tri-County Planning involve facilities that are in fact used by tourist and others who come into our County for the various fine attractions that we have here. What that does is that represents by moving it back into the General Fund an additional \$570,000 tax burden moved from tourist onto the backs of property taxpayers in Dauphin County. It also represents freeing up \$570,000 in the Hotel Tax Fund that would in effect be new and additional spending on top of what we are already spending. I don't think new and additional spending is what should be called for.

My other concern is the EMA project. Let me preface my comments by saying that I know how vitally necessary that project is. Certainly there was a core function of

government providing for public safety would be it. However, in the past Dauphin County has dealt with such needs by having a referendum question and then floating specific millage rates for specific projects. You may have even been here, Jeff, whenever a temporary millage was put on for the fire school at the Harrisburg Area Community College. What happened then was there was a referendum which voters approved. The temporary millage was put on. A bond issue was floated in order to fund the facility. The temporary millage stayed on long enough to pay off the bond issue. When the bond issue was paid off the temporary millage went away. That way the tax didn't just get rolled back in as part of a morphs general fund. Then it has always been my belief that the \$35 million EMA Project should be handled in the same manner as what the fire school project had been handled. That one should be subject to voter approval and I shouldn't think that should be any problem given the public's concern over public safety. But then it would segregate that as a project specific unto itself and the millage that would be instituted to pay for it would then go away whenever the issue was completed.

A third area of concern, and I'll limit myself to only three although we could go on. I'll note probably the most outstanding increase is coming from the Courts. A 10.17% increase in spending in the area of the Courts from last year's budget to this year's budget that it counts for almost \$2 million of the \$11 million increase that we are sustaining. Now I know all the things that drives the Court's budget but a 10% increase in a time whenever we have a tight budget would seem to me be unconscionable. If you take all these things together, I think that spending for next year as well as adding in the revenue from the incinerator project, we could cut just from those matters alone close to \$5 million in spending. If we held departments to either a zero percent increase or perhaps a one percent increase, we could totally eliminate the need for a property tax hike. My view is that what's driving this budget is a desire for additional spending and for additional borrowing that while all may be for very good projects is something that the people of Dauphin County simply cannot afford at this time. I don't believe in the process of this budget we have come to grips with that and for that reason, I'm not going to vote to approve this budget.

Mr. Petrucci: I've enjoyed my four years here with Commissioner Henry. I'm somewhat shocked that he didn't go a little bit further in his comments today. I thought sure that he might propose that we have a tax cut instead of a tax increase like our President so that we could have economic growth throughout the country. Yes, our expenditures have risen and our revenues have not risen comparably. I too have problems with portions of the budget. I have made recommendations for revenue increasing and cost decreasing but have yet to materialize. But I suspect they will be attended to in the near future. I did recommend that we try and make a little revenue off of our Rutherford property. Right now we get a \$1 a year for a very valuable piece of property. I think surely we should charge a lease rental that would be equal to the amount that our budget got hit for the payment to the visitors center. I would suggest a monthly fee of \$1,600 per month for that property. That would bring in an extra \$20,000. I also suggested that instead of going 4% pay raise for the nonunion and unsettled union wages that we go 3%. Someone has to start the ball rolling downward from these wage

increases. They are far out of line compared to the private sector. Also way out of line is our benefit package. I do know that our employees are the most valuable thing that this county has. We have showed them a phenomenal array of benefits that make most other packages look pretty bleak comparatively. Going through a series of 4% increases while everybody else is going through a series of 1% & 2% increases has paid them comparably. I do expect that this will help in regard to the productivity that the County gets out of those employees. With the constraints of filling vacancies they have picked up extra burdens and so I'm not really upset that 4% materialized but I do think that we need to ream that in a little. I am also concerned about some of the cuts that were made and where we didn't make cuts. I see the biggest cut in here to me is the cut out of Tax Assessment. Every corporation needs to invest in technology that enhances their productivity. Much of the 90's were an experience of the rewards of that investment. It took us a while to get here but we did invest in technology in our Tax Assessment Office and we were in a several year phase of getting to the point where we could automate revenue collection. Therefore, presenting an opportunity for reducing the costs of currently collecting our revenue and also enhancing the revenue side by getting it more expeditiously placed into accounts that can earn interest where they currently do not.

All that being said, I'm also concerned about having to do a huge borrowing to pull off our pension fund knowing that the tax increase that we have here doesn't even touch the gapping hole in that fund. And that we are going to ask the next Board to pay debt service onto a huge borrowing that will of course be an asset. But nevertheless, also additional costs being added as a result of it.

All that being said, I suspect the new Board could open this budget and look at it. I think there are opportunities still for potential further cuts. If they care to look at it, I think there are options for a few more revenue raising ideas. I've mentioned also and I guess it is difficult but the privatization of the nursing home if we lease the new building out to a private company, getting rid of at least paying the debt payment through lease. And then saving the \$3 million of the extra expenditure on the General Fund while the private company could pick up the services rendered there as well as our employees that are there was an option that I also proposed that did not hit fully considered.

All that being said, I will have to support this tax increase. There is no way to get around it.

Mr. Haste: I will make some final comments. I too will be supporting this, as hard of a pill as it is to swallow. There are a couple of things that I would like to point out. If we were to repeat history and sit here as other Boards have done and I think as other Boards will be doing when new Boards take office in January, it would not be hard to be sitting here and someone making the argument for a tax increase of 38% to 40% increase. If you look at history and if you would look how other Boards would deal with this, Boards will look at this on a multi-year basis. They will look at what it requires for them to generate revenue to get through a four year cycle. Because I think as everybody knows Boards sit here and think in four year terms. We chose not to do this

and I support, even though I'm going to be on the new Board and it will be difficult on the new Board, not doing that effort. I think what is before us is what is needed to pay our obligations. I think it also puts us as a new Board in a situation where we must take close look at the future expenditures. Also I think we need to dedicate ourselves to finding additional revenue streams. As both my colleagues have said, one of the problems we have is the existing revenue stream which does not keep pace with County budgets. If you look at this, the total budget increase for the calendar year budget increases by only 5.45%. However, our tax increase has to be higher than that to meet that. That is just because revenues do not keep pace with expenditures. Part of this is driven by not new debt but just paying off the debt that is before us. The increase goes from \$1.5 million up to \$10.3 million in debt service. Of that, only \$800,000 is in fact new debt. \$800,000 is for EMA for the towers which I know I have talked with the fire and police departments and they are in desperate need of this. We are not talking about something that is not insignificant. We are talking in some cases about the safety of officers that go into parts of this County where there are holes. I think we need, given the state of this nation and the alert that we are on, to make sure that we are protecting those that are out there protecting us.

I agree with Commissioner Henry that a large portion of this goes to the court system. I'll go beyond the court system, it is the criminal justice system. If you look at our budget between the criminal justice system and the nursing home, 70% of our budget is driven by those two entities. Until crime decides to go down and until our elderly population decides to get healthier, I think both of those costs has only one area to go and that appears to be up. So that means that we are saddled with the fact of trying to balance the budget on the 30% of the budget that is left of those that aren't in those areas. That's very difficult to do. One of the things that would be easy and would make a good headline if we were to sit here and tell our employees that we are not going to give them a 4% increase, our nonunion employees. I quite frankly am not willing to try to balance the budget on the backs of what I consider some of our hardest working employees. I understand the need for that. I think in fact we should take a look at our benefit package and we ought to look at what we can do to share those costs with our employees. But I think, my philosophy is that it needs to be done not only for the nonunion but the union employees as well. Until we can do that as a whole, I'm not willing to try to balance this budget on the backs of our nonunion employees.

I wish there was a crystal ball that we could tell what is going on with the market, if we knew where things were going. This budget is not a pessimistic budget and it is not an optimistic budget. I think it is one that is middle of the road. We are assuming certain things will turn in our direction. We are hoping some other things do not turn against us in this.

One thing that must be put out there that was mentioned is the pension fund. That if in fact, we are able to finance that and spread that burden across the years and flatten that out, I think that will help us. If in fact the state comes back even though there was a law passed in 1994 that appears to have given us the ability to do that, for some reason this administration doesn't support that, we are saddled with another burden that we are

going to have to take a long hard look at next year. That's where we come up with that \$4.6 million.

Again, I think this is a middle of the road budget. I wish it was a whole lot better. I would quite frankly, Commissioner Petrucci, love to be sitting here with Commissioner Henry going for a tax decrease. I don't think that is a bad thing. I'm also realistic and realize that we would not be able to provide the services that we are mandated and required to provide if we were to do such a budget.

I think this is a budget that is unfortunately an increase in spending. It's one though that I think is still very tight. It requires the new Board to be rather frugal. It will force the new Board to take hard looks at additional revenue streams that are out there as well as continuing to look at the expenditures that are done and keep things in line.

With that I will call for the question for the vote.

Mr. Petrucci: If I might just make another comment before you close. I have been here twelve years and voted on twelve budgets. I sure as heck hate to be going out voting for a tax increase. It is not a fun thing to do. I guess I had about three that I voted for in twelve years. On the other hand, it is essential that we do and I could in part blame this on some of the previous Board's decisions but I won't do that.

Also on a lighted note before we close here, I wanted to say that one of the first things that I received as a minority commissioner and had to invest in my first time here was in a piece of equipment for the minority commissioner. I must say that there were a couple of times during the last administration that I thought I might need it. But I'm happy to say that I didn't. I thought I might need it today. I brought it with me but thank heavens I didn't have to use it. I had it and never used it with Russ Sheaffer. Mr. Henry I've appreciated our philosophical disagreements over time. I know we have them today on this budget. I surely wish that I could be with you in advocating something less but here we are.

Mr. Haste: Is that your final word? All those in favor say, aye.

Mr. Haste & Mr. Petrucci: Aye

Mr. Haste: Those opposed.

Mr. Henry: No.

Mr. Haste: Motion carries, two to one.

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – ROBERT BURNS

Mr. Burns: Commissioners, I have two brief items. The contract that the Board ratified today does contain a 3% wage increase for 04/05/06.

If I could direct your attention to Item V, under Items Requiring Board Action, I would like to change that date. It states January 4, 2004. We would like to change that to January 22, 2004. In the interim period, we are directing the construction manager to compile an analysis of the change orders that have been completed to date and provide the Board with what they believe to be an accurate completion date for your consideration.

That is all I have, Commissioners.

Mr. Haste: Mr. Tully would you like to expand upon that?

Mr. Tully: The reason for narrowing the date is a playoff between the timetable as well as the responsibilities in expense. I think it is important to give the time which I think has already been expanded by the already approved change orders and the money already spent. We want to make sure that we don't resolve that to our detriment. We want to be able to keep our position strong when we come to a final resolution with those contractors. So the goal is by the time the 22nd rolls around we should have the final figure on the exact timetable and the exact cost that would be involved so that we can approve comprehensively.

Mr. Haste: Is there anything further to report?

Mr. Burns: No, Mr. Chairman, that is it.

Mr. Tully: Nothing has changed on mine as well. Other than the two items that were added.

Mr. Haste: Are there any questions for the Solicitor? Thank you.

MATTERS REQUIRING BOARD ACTION

Mr. Haste: Training Packet, Bob?

Mr. Burns: There are five items today and all have been preapproved by the oversight Commissioner.

Mr. Haste: I want to go to the first one. It says the challenge of the over abundant deer in PA. I've been out there five days. They must be somewhere I wasn't. I think they are in everybody's back yard and just not out in the woods.

Mr. Henry: There is no new decoration on your wall?

Mr. Haste: No, not yet.

We have Items A thru Z. Are there any items there that the Board would like to pull out and vote on separately? If not, is there a motion to approve Items A thru Z?

- A. Training Packet
- B. Renewal of Contract between Dauphin County and Harrisburg Parking Authority for juror parking spaces at the Market Square Parking Garage.
- C. Rates for Schaffner Youth Center for FY03/04:
 - 1. Secure Detention \$274.58
 - 2. Shelter Care \$204.12
- D. Exoneration of all County taxes owed on the following two properties in the Borough of Highspire if the Borough obtains ownership:
 - 1. Parcel – 213 Market Street, Highspire
 - 2. Parcel – 478 Willow Street, Highspire
- E. Appointments to the Dauphin County Conservation District:
(Terms will expire December 31, 2007.)
 - 1. Patricia Powley – Public Director
 - 2. Timothy Wentzel – Farmer Director
 - 3. Jeff Haste, Commissioner
- F. Satisfaction Piece with Lonnie C. Devan for property located at 704 Melrose St., Harrisburg, PA.
- G. Subordination Agreements with:
 - 1. Melody Oliveri for property located at 1404 Fulton St., Harrisburg.
 - 2. Linda Zlater for property located at 2510 Derry St., Harrisburg.
- H. Approval of proposed settlement for Tax Assessment Appeal of Crowne Plaza Hotel.
- I. Addendum to Contract between Dauphin County Solid Waste Management Dept. and Navarro & Wright for the Materials Recycling Facility.
- J. Proposal/Agreement between Dauphin County Conservation District and Benatec Associates Engineers and Planners for bridge analysis ratings for the TK527 vehicle, on all applicable municipality owned bridges currently in the NBIS Inspection Program.
- K. Proposal/Agreement between Dauphin County Conservation District and Herbert, Rowland & Grubic to provide professional engineering services to assist with compliance of the NPDES Phase II Permit requirements.
- L. Agreements (2) between Dauphin County Conservation District and Dept. of Environmental Protection for funding of Act 167 Stormwater Management Plan for the *Spring Creek Watershed* and for funding of the Act 167 Stormwater Management Plan for the *Paxton Creek Watershed*.

- M. Adopt Resolution No. 29-2003 committing the 2003-2004 Brownfield's for Housing funds from PA Dept. of Community and Economic Development to the City of Harrisburg "Zommit Cleaners" project.
- N. Adopt Resolution No. 30-2003 authorizing an Emergency Shelter Grant Application to be submitted to the PA Dept. of Community and Economic Development.
- O. Purchase of Service Agreements for FY03/04 between MH/MR and:
 - 1. The Vista School
 - 2. The Pennsylvania State University
 - 3. Harrisburg School District
- P. Amendment #2 to FY02/03 Purchase of Service Agreement between MH/MR and Dauphin County MH/MR Case Management Unit.
- Q. Purchase of Service Agreements for FY03/04 between Children and Youth Agency and:
 - 1. Adelphoi Village, Inc.
 - 2. Bethanna
 - 3. Viaquest Behavioral Health of PA, LLC t/d/b/a Seven Mountains Academy
- R. Addendum to FY03/04 Purchase of Service Agreements between Children & Youth Agency and:
 - 1. Hempfield Behavioral Health, Inc. – Amendment #2
 - 2. Hempfield Behavioral Health, Inc. – Amendment #3
- S. Adoption Assistance Agreement #2003-16.
- T. Community-Based Volunteer Transportation Agreements between Area Agency on Aging and:
 - 1. Lower Paxton Township Senior Citizens Transportation
 - 2. Derry Township People Movers
 - 3. Londonderry VIP
 - 4. Dauphin Area Senior Transit
 - 5. Middletown Care-A-Van
 - 6. West Hanover Township Senior Van Service
 - 7. S.E.B.O.S.
- U. Lease Agreement between Dauphin County and Jeffrey C. Bartlett for D. J. Lindsey's Office #12-1-06.
- V. Change Orders to extend the completion date to January 4, 2004 for the Dauphin County Courthouse renovations. The completion date is extended without prejudice to the owner or contractor. The project manager is now instructed to quantify the precise anticipated completion date based on a review of all change orders to date.
 - 1. Change Order #2002-01-02G with L. R. Costanzo Co., Inc., general contractor.
 - 2. Change Order #2002-01-02E with Edwin L. Heim Co., electrical contractor.
 - 3. Change Order #2002-01-02H with Herre Bros., Inc., HVAC contractor.
 - 4. Change Order #2002-01-02P with Jay R. Reynolds, Inc., plumbing contractor.

5. Change Order #2002-01-02S with Triangle Communications, Inc., security contractor.
 6. Change Order #2002-01-02ELV with ThyssenKrupp Elevator Corp., elevator contractor.
- W. Partial refund of 2003 real estate taxes to Garden Chapel Inc., 478 Eddington Road, Lower Swatara Township, parcel #36-012-483 in the amt. of \$707.25.
- X. Appoint George Conner to the Community Action Commission replacing Garry Esworthy.
- Y. Agreement between Stenograph, LLC and the Dauphin County Court Reporters.
- Z. Adoption of Resolution No. 31-2003 authorizing the transition of the Fiscal Component of the Community Development Block Grant and Home Investment Partnership Program to the Dauphin County Economic Development Corporation.

Mr. Henry: So moved.

Mr. Haste: Is there a second?

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

FORMER BUSINESS

Mr. Haste: Is there anything that the Board would like to discuss now under Former Business? (There was none.)

NEW BUSINESS

Mr. Haste: Is there any New Business? (There was none.)

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. Haste: Is there anything for Commissioners' Discussion & Actions? (There was none.)

Commissioner Petrucci, is today your last?

Mr. Petrucci: No, I have one more meeting.

Mr. Haste: You'll be here next week?

Mr. Petrucci: I will be here next week.

Mr. Haste: I'll save my final words for then.

CORRESPONDENCE

Mr. Haste: Before us is the correspondence that has been received by the Board. This will be handled appropriately by the staff.

- A. Notification from Alpha Consulting Engineers, Inc., indicating they will be submitting a Notice of Intent for coverage under the PA General Permit for discharges of storm water to the Dauphin County Conservation District.
- B. Notification from Light-Heigel & Associates, Inc., on behalf of Frank English, indicating they will be applying to DEP for a NPDES General Permit for discharge of storm water associated with construction activities at the English Estates located in Conewago Township, Dauphin County.
- C. Notification from Raudenbush Engineering, Inc., on behalf of Wellkept Properties, Inc., indicating they are preparing an erosion and sedimentation control plan for a land development project located at 400 East Chocolate Avenue, Derry Township and will be submitted to the Dauphin County Conservation District.
- D. Notification from Dauphin Engineering co., on behalf of Janet M. Coxon, indicating their intent to apply to DEP for a Notice of Intent for coverage under the PA General Permit for discharges of storm water from construction activities of a proposed office building located in Lower Paxton Township, Dauphin County.
- E. Notification from Act One Consultants indicating their intent to submit an application to DEP for the ARONDALE project being built by Yingst Homes, Inc., in West Hanover Township, Dauphin County.
- F. Notification from EcoSolutions indicating their intent to submit an application to DEP for the Manada Golf Club, Inc., pond dredging. Manada Golf Club is located in East Hanover Township, Dauphin County.
- G. Notification from Herbert, Rowland & Grubic, Inc., on behalf of PA Dept. of Transportation, indicating they intend to apply to DEP for a water obstruction and encroachment permit in reference to the S.R. 4008 (Hoy Road), Section 12 Bridge replacement, Upper Paxton Township, Dauphin County.
- H. Received correspondence from Herbert, Rowland & Grubic, Inc., in reference to the rehabilitation of Dauphin County Bridge #43A, Henninger Farm Covered Bridge.
- I. Received correspondence from Benatec Associates in reference to bridge weight limit posting of Bridge EHT-8 which carries Crooked Hill Road over Manada Creek in East Hanover Township, Dauphin County.
- J. Received correspondence from Cunningham & Chernicoff, Attorneys at Law, in reference to the Dauphin County General Authority/Forum Place.
- K. Received correspondence from the United State Nuclear Regulatory Commission

in reference to Three Mile Island Station, Unit 1.

- L. Notification from Wenger Feed Mill, Inc., indicating they are filing a Notice of Intent Form with DEP for coverage under the NPDES general permit regulations for discharges of storm water associated with industrial activity.
- M. Notification from Raudenbush Engineering, Inc., on behalf of Dennison Associates, indicating the applicant is preparing an erosion and sedimentation control plan for a land development project located adjacent to the intersection of Elmwood and Thea Drives, located in Susquehanna Township, Dauphin County.
- N. Notification from Edward Black and Associates, P.C. indicating that the Camp Curtin K-8 School plans to submit an application to the Dauphin County Conservation District for a general permit for the discharges of storm water from construction activities. Camp Curtin School is located in the City of Harrisburg, Dauphin County.

PUBLIC PARTICIPATION

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

ADJOURNMENT

Mr. Haste: Is there a motion for adjournment?

Mr. Henry: So moved.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

Transcribed: Tuesday, December 9, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff
print 2/03/04