



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**COMMISSIONERS' LEGISLATIVE MEETING**

**WEDNESDAY, December 15, 2004**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Robert Dick, Treasurer; Carolyn Thompson, Esq., Court Administrator; Mike Yohe, Director of Budget & Finance; Randy Baratucci, Purchasing Director; Gary Serhan, Deputy Controller; Edgar Cohen, Facility Maintenance Director; Faye Fisher, Personnel Director; Diane McNaughton, Press Secretary; Melanie McCaffrey, Solicitor's Office; Sharon Way, Personnel Office; Phil Intrieri, Deputy Court Administrator; Kelly Wolf, Solid Waste; Kay Sinner, Personnel Office; and Julia E. Nace, Assistant Chief Clerk, Mark Templeton, Prison, Ken Gordon, Tax Assessment, Skip Memmi, Department of Community and Economic Development, Jena Wolgemuth, Commissioners Office, Kacey Truax, Commissioners Office.

**GUESTS PRESENT**

Catherine Alloway, Rich Bowra, Janet Carson, Shelby Line, Marilyn Hricak, Valerie Vander Patton, David Latorre, John Trish, Michael Floyd, Steve Thomas, C. E. Henery, Jason Smith, Darnell Williams, William Cluck, Mark Stewart, Gloria Martin-Payne, Ted Sites, Jim Recheck, Vanish, Kevin Brickey

**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 24, 2004 Workshop Meeting Minutes. Is there a motion to approve the Minutes?

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the November 24, 2004 Workshop Meeting Minutes; motion carries.**

Mr. DiFrancesco: We have the November 24, 2004 Election Board Meeting Minutes. Is there a motion to approve the Minutes?

**It was moved by Mr. Hartwick and seconded by Mr. Haste to approve the November 24, 2004 Election Board Meeting Minutes; motion carries.**

## **EXECUTIVE SESSIONS HELD BETWEEN MEETINGS**

Mr. Saylor: There were none.

## **PUBLIC PARTICIPATION**

Mr. Haste: This is the time for public participation for an item that is listed on the agenda. There was a sign in sheet and I will call your name and if you could please come forward to the table. If the comments get repetitive, I will have it duly noted for the record and ask you to move on so we can hear from everyone. If I misspeak your name, please forgive me and let me know.

Mr. Henry: My name is C.E. Henery. I was the former Budget and Finance Director for over ten years. I understand the problems you have and I probably understand them better than the average taxpayer. I also want to remind the taxpayers that this county went through twenty eight years without a county wide assessment. This had a domino effect on the entire county. What you are doing today I know is a hard decision but I have to commend you. This year for the first time county employees will have to pay for their benefits which was never done before. This is an entirely new ballgame. You are not getting any help from up on "the hill." We have a governor who only has one desire and that is slots. That doesn't run the state or counties. I know this is a tough decision but I commend you for the job you have done this year and for the job you will do next year. Thank you.

Mr. Haste: I'm not sure of the name, is there someone from the Citizens for a better Harrisburg?

Mr. Smith: My name is Jason Smith. There may be some repetition today because I believe there are some people in the audience who are not in favor of this tax increase. Certainly not the full tax increase. It has been reported in the paper some of the details of this that you are looking at 12 million dollars for your Standard and Poor's rating. Effectively a lot of this tax increase you are looking down the road. You have made some cuts this year and that is commendable. Where I come from if we increase taxes to this degree, will you have the incentive to make further cuts you need to make in the future. Are we giving you too much of a cushion? Will you come through for us on the cut side? Another concern I have is that the level of the tax increase is too high. It says in the paper that with this increase you would have 15 million dollar surplus next year. If there is a 3 million dollar gap then you are raising taxes too high. I would encourage you to give yourself an incentive to make further cuts next year. The tax increase should commensurate with your need. If you raise more funds through a tax increase than you need. I would encourage you to return those funds. Another concern I have is on Spring Creek. You went to a private management company and the costs grew from 3 million a year to 6 million a year. That is puzzling to me as a taxpayer. I think you need to make wise cuts and if you increase taxes you need to do it at the right time and for the right amount. Make the only increase that you absolutely need for this year and then we revisit it next year. With a meeting that is not at 10:00 a.m. before Thanksgiving and not 10:00 a.m. during the week but an actual public hearing that the public can come to and share the numbers. Let's work at this together. This does not need to be a difficult choice. It could be easier and if you trust the people it can be worked through together. Thank you.

Mr. Bowra: When tax increases are announced it is always easy to be critical of that. It is always important for looking at the rationale for doing so. I wanted to commend the Commissioners for their commitment to Dauphin County and to the citizens. It is clear that you want to provide the best infrastructure for the citizens of this County. There are a lot of tough choices and decisions for you to make. There is no doubt about that. Increasing taxes is not a popular move and is something you do only after you look at all of the options. When you folks ran for office, this is as advertised, you indicated that there are tough decisions ahead and that taxes needed to be increased to provide the infrastructure for this county. It is easier to run on a no tax increase platform than a tax increase platform. At this time of the season you often see ads that state as advertised. This is a very open process and it was made public of what had to happen. You are keeping your commitment to this county and the infrastructure that must be in place. As the decisions you have to make today are certainly difficult in the short term but for the long term they are for the betterment of the citizens of Dauphin County. As a citizen of Dauphin County and as Director of the Dauphin County Library System, which is a private, non-profit corporation, it is important to be of good service to the citizens of Dauphin County and be accountable to the taxpayers. I know you are certainly looking

towards that end. You have tough choices and I want to commend you for your hard work during this process because I know this is not an easy decision. Thank you.

Catherine Alloway: Good morning. I am a resident of South Hanover Township and an employee of the Dauphin County Library System. I would just like to echo everything that Mr. Bowra said to you. I also want to tell you, as a person who has had thirty years experience in the public and non-profit sector, that I know how difficult your budget vote is this morning. As a taxpayer, I am willing to bite the bullet and swallow it for the long term and future financial being of the County. One of things that always concerns me is, bond ratings because that can make and break a county especially if emergencies come up in the future. I think what you are going to do today is going to make a much more solid base for us to stand on with our bond ratings and anything else you may have to do in the future. So best wishes and thank you for the hard work you are doing.

Darnell Williams: I live in the City of Harrisburg. I just want to congratulate you on a hard choice you are about to make. However, I am concerned about the future, next year. I have a feeling by looking at some of the figures in your budget that you are going to need a tax increase next year. I encourage you to look at services and cut services. What the public doesn't understand is that the President and Congress have passed mandates to the counties saying you have to do certain things, you have to spend so much money on certain things, but they are not giving you any money to work with. For example, the no child left behind mandate. There are no funds that school districts are given to help with this mandate. Municipalities are in the same situation like the terrorist threats and so forth. I think the cost of government is going to go up. We need to start looking at cutting services. I understand that people do not want slot machines. I do not want slot machines. We have a legislature that could of helped Dauphin County and they chose not to do so. We have a Congress in Washington that could of helped us and they chose not to do so.

William Cluck: I am in an attorney and I live in Shipoke. Unfortunately I have not had an opportunity to sit before you in a number of weeks because I am one of the people that were homeless because of Hurricane Ivan in September. One of the things that I have learned in the past couple months is that you must live within a budget. I am now in my fourth month waiting to hear from my insurance company. When I appear before you it is typically on environmental issues and Solid Waste issues. The underlying theme I always bring up to you is transparency in governmental action. I commend you that you have been open and forth right with the issues facing the County. One of the concerns that I have is that we blame the people of the past. We blame our state representatives because of our antiquated tax system yet we endorsed the incumbent state representative. I believe that is hypocritical. If we are that concerned we should place blame where it should have been and meanwhile we are sitting in this building which I feel should of never been built. I don't think we could afford this building yet we went forward with that. Then we shouldn't be endorsing those people who are now in state office. I think it is critical that we evaluate the possibility of televising these meetings. Harrisburg City Council and Susquehanna Township does it. If I invested millions of dollars in this building I think there are ways to televise these meetings. I

really don't have an opinion on a twenty percent tax increase. But sitting here this morning and looking through the agenda, as a licensed attorney, I feel compelled to speak out that I believe that you are about to cut out positions in the criminal justice system and I think that the public needs to be aware that this could have a very detrimental effect on our court system and our prison. For example, we are eliminating full time correctional officers. We are eliminating the Chief Deputy Public Defender, the people who defend the poorest of the poor who get into trouble. We are going to eliminate a position at the Schaffner Youth Center. Can we afford that? You are even eliminating security positions. After 9-11 all I hear about is the need to spend billions of dollars on telecommunications yet the people who provide security, we are eliminating those positions. We are eliminating an assistant solicitor to the County offices. We are eliminating a judicial law clerk for one our Judges. Is this penny wise but pound foolish? Will you as you act on this tax increase today, take a pledge for the remainder of your terms in office not to raise taxes any further? Thank you.

Mr. Stewart: Good Morning. My name is Mark Stewart. I am a resident of the City of Harrisburg. I also come today before the Commission to support your efforts. You are doing the right thing. Even though it may be very unpopular. You know it is in the best interest of this County, it's long term fiscal health that my children will grow up here in Dauphin County. I am familiar with the debt that you inherited and the expedient growth of the debt service that the County is facing because of projects like this building and others. I am familiar with it because it is one of the reasons I work so hard to remove your predecessors from office and to get you into office. Today you are honoring the work of those who supported you because we knew that you would do the right thing. Having a reserve which has been much talked about is the fiscally responsible thing to do. I am involved with some organizations that don't have a reserve and it troubles me frankly that some unexpected expense is going to arise and will cause some very significant problems for the entity. Holding spending growth to 1% is an unbelievable accomplishment. Frankly, if you consider the rate of inflation, a cut, not even a 1% growth and even though I listened to some of the advice that was given and I note that you have already taken it. You got elected and you publicly spoke about a 40% tax increase. You said that we will not do it all right away. We are going to work our tails off, cut spending and trim every where we possibly can. You have met that challenge. The sad truth is that it is just not enough. The hole that we have been put in, that we find ourselves in is too deep. I suppose the irony of politics is that the voices of the public largely were silent when we were digging this financial hole. Now we hear some complaints as you folks try and fix it. So let my voice be heard to support you.

Ted Sites: My name is Ted Sites and I am a resident of Middletown and I worked at ISG in Steelton. Like you heard before there are people here who would like these meetings held in the evenings so we can be here. I had to take a vacation day to come see you three big spenders. Two years ago down at ISG I lost my benefits and my pension. Today with your second huge tax increase I have to ask you a question. How can anyone ever figure out if they can afford to retire? When people get ready to retire they wonder if they are ever going to have enough money. How could they with people like you three big spenders. It seems to me that all you elected people, not only you

three, just about 100% of you, figure spending more money is always the answer to the problems. The problems never seem to get solved. Once a person retires, they can not go back to their old job, it is over. They have to get a part time job. I read in the paper today that there are 2100 employees in Dauphin County and I know some work here, some work in the county home, some at the prison. I would like to know where are the others? Where are all the employees? I probably don't know much about what the County does until it comes to raising taxes. I get tired of hearing that. I think it is also time to sell the golf course. It seems like it has been nothing but a drain. Dauphin County residents complain about it all the time. It is outrageously expensive. You can go to much nicer courses and pay half the price. I already heard today the employees will have to pay some into their healthcare. I, like a lot of retirees, pay for my healthcare. It keeps on going up. Everything goes up. When I was a little boy I was told that industry is what makes this country great. Today what seems to me is that the best place to work is in government. The people that are getting laid off won't want to hear this but the best place to work is the government, because they very seldom get laid off. It doesn't matter if the economy is going bad or if people aren't buying something, normally you just keep on paying. I think you are completely out of touch with the normal people. I think you need to visit the normal people and ask them to help solve the problems. Not all the people back here have the answers but never have any of you three ever called me except to ask to vote for you. I am on the no call list. I do not want to be harassed. I want to make up my own mind. But once again you guys are above the law. You didn't make that law but yet you still call. Let me make up my own mind. I can guarantee all three of you right now I will never vote for any one of you for any position. I will campaign against every one of you. I will get 40% of my friends to vote against you for this 40% tax increase you are voting for.

John Trish: My name is John Trish and I live in Lower Paxton. I am here today by the grace of God and thanks to the Hershey Medical Center doctors who removed a brain tumor that I had. Doctors Shean, Isaacson, and Page. Yes, Mr. Haste you ran that you were going to raise taxes. That is well and good, but I started watching the Commissioners when Mr. Lowman Henry ran and he said that he was going to cut wasteful spending then came the Mellon Bank building. After that was the General Authority and their debacle with John Vartan. There has been a lot of waste and not cutting. The average guy on the street has to take a pay cut because the company is going to go out of business. I do not know of anyone in Dauphin County who has taken a pay cut. We hear about the House of Representatives getting this increase and that increase. I am here today. Why are we doing a tax increase that is going to give us a surplus in 2008? Let's worry about 2005 and 2006. When the next election comes around we are going have three more men running for election. Some of you may get re-elected and some of you may not. They are going to make their promise. I would like to see a declaration from individuals running for office that says exactly what they are going to do if they get elected so that the people can look back and see. I drove down here through the hassle of coming down to the city and I want to know why when I pay my Comcast bill and I hear them say that they received no tax dollars well my Comcast bill to me is a tax dollar and I paid for PCN and I can see the Susquehanna Township meeting from November 11 on December 5. I can see the Lower Paxton

Township meeting and Harrisburg City Council meetings. Why can't I see your meetings on PCN? A lot of the people are saying that you have a hard decision, yes you do but who have spoken in support of you are justifying their existence. I have been out of work since 1998 through one operation to the next. Last year my health care went up \$104.00. This year it went up \$98.00. I am paying for this out of my own pocket out of the compensation I am receiving. I just don't understand if I have to be forced to live on my pension by pinching you can also pinch. This is a beautiful building. When Lowman Henry suggested buying this building I was against it. I can't see why we can't squeeze the offices a little tighter than what we had. You gentlemen do as you want, as the gentlemen before me said some of you will get votes some of you won't. I think really that you guys can cut some places. There are a lot of healthy employees in Dauphin County that have not missed a meal. I would like to say that I am against the tax increase and I do not like the hassle of coming down here and trying to find a parking space. That is probably why when you look at the news and they say that there was a Dauphin County Commissioners meeting today and no one showed up; that may be why. I think we need to have these meetings on PCN along with the authority's meetings also. Thank you.

Ms. Payne: Hello I am Gloria Martin-Payne, Harrisburg City Council. I come in support but also to humbly share some wisdom with you gentlemen. I understand that you inherited this indebtedness. This is a hard decision for you. As a Harrisburg City Council woman, few people know than me that you have to make hard decisions. Some are popular and some are unpopular. I would say to you especially in the city of Harrisburg because that is the area that I represent that we have a lot of working poor who own properties and I am sure that is the same for Dauphin County. We have to be mindful that those working poor are living from payday to payday. With a tax increase at 19% it puts them at risk of losing their homes. I would like you to be mindful of that. I would leave with you today a petition signed by some of my council colleagues. They were not able to be here this morning.

Mr. Reчек: I live in the city of Harrisburg. I don't know what I can add to what the gentleman from Middletown said. That was perfect and it meets with my point of view exactly. I would just like to say in the midst of all the mechanics of the decision making that you are going through I would like you to remember about the little guy. I followed Mr. Hartwick since he was Mayor of Steelton. I know that he does. We can not afford the tax increase. Look at the office we are sitting in. What was wrong with the old building. As a homeowner, if I put a porch on my property, my taxes go up. If Hershey Park puts in a new 10 million dollar roller coaster, do their taxes go up? We have cash cows all around us. I know this was the Commissioners before you but they made a sweetheart deal, a midnight deal to never raise the amount of money that we get from Hershey Park tickets, a fifty year irrevocable deal. I think it is a quarter a ticket. It cost 40 dollars a ticket now and we are getting screwed. I think that if you stomped and looked at the resources that we have. Let's look at solutions. Maybe industry has to look at the profit and loss of their business. The Grace Commission when Ronald Reagan commissioned it. He told government that if you don't have an eye on their income and their expense that prime ministry does. That was a hard lesson to learn, we

ignored it even then. 40% in two years, please, we are regular people. We have children we are trying to feed, put shoes on their feet and give them a promising future. Any alternative that you leave us is to leave Dauphin County. I do not want to do that. I was born and raised in Dauphin County. Please in the midst of all of the complexity of this remember us little guys. We can not afford it.

Mr. Vanish: Good morning. I am a recent transplant from New York City and moved to Harrisburg. I work as a private investor. I have gone through rehabilitating dozens of buildings in the city. I have also worked as a consultant for a number of fortune five hundred multi-national companies. I do not know the baggage that is involved in the debt and so forth but I think that the biggest concern regarding the development of Harrisburg and the region is the ability to bring more businesses in and I think that should be the focus and that should be where your tax revenue should come from. I will tell you that as taxes increase in Harrisburg my desire to stay in Harrisburg and continue to work on properties is decreasing rapidly. Also with me comes a team that invested hundreds of dollars into the City outside investors. There are a lot of people like me moving into Harrisburg who are doing work in Harrisburg and helping the revitalization continue but there is a ceiling that is going to make us stop. Basically it is all about the taxes. The cash flows are being strained and the investment opportunities are being strained also. It is very easy for all of us who are coming here, putting money into your community and saying "Hey, this is not the place viable for us and looking to go elsewhere." I think when you look at long term vs. short term, you need to re-contextualize what that really means. Where is your revenue coming from, who are you attracting to the city and what are they doing to the city? What this city and this county needs is outside dollars coming in not necessarily tapping the little guy for whatever debts may exist. Thank you.

Kevin Brickey: My name is Kevin Brickey. I am a midtown resident and supporter of Citizens for a Better Harrisburg. Solutions versus symptoms. Considering the issues about property taxes, the Board appears to be treating the symptom, the size and cost of government rather than solving the situation. Indeed the scale of the proposed increase in assessments, I believe exposes a failure to address the underlying problem. Solutions and the political will to enact them rather than treating the symptom is what is needed. In echoing the Councilwoman's earlier concerns and remarks, it is not the function of government to either tax people out of their home or out of the opportunity of owning a home. Thank you.

## **DEPARTMENT DIRECTORS/GUESTS**

Mr. Christoff: Commissioners you have a check to present to Melvin Fureman. Melvin and his wife have a 137 acre farm located in East Hanover Township. The farm is being preserved through the Dauphin County Ag Land Preservation Program. This preserves the farm in agricultural perpetuity. This is the first farm in East Hanover Township to be preserved. The easement was valued at over \$3,000.00 per acre and the Fureman's have accepted half of that to preserve the farm.

Mr. Haste: How many acres have we preserved year-to-date?

Mr. Christoff: Through 2004 we have preserved 8431.5 acres of land in 81 farms in 8 different municipalities.

Mr. Haste: Do you want to come forward and say anything?

Mr. Fureman: No thanks.

Mr. Haste: We are sorry that your wife could not make it. We understand the situation and we appreciate the effort that you and your wife have made to preserve the land.

Mr. Fureman: I urge others to join the program.

(A picture was taken and a check presented.)

### **SALARY BOARD**

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

### **PERSONNEL**

Ms. Sinner: I do have an addendum which included some of the Salary Board items you voted on and some vacancies, as well as, a new hire and changes listing.

Mr. Haste: Are there any questions for Kay? (There were none.) Is there a motion to approve the personnel packet as amended?

Ms. Sinner: I would like to pull a new hire from last weeks packet, number four. We had offered this person a position at Spring Creek as Director of Social Services and she declined the offer.

**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve the personnel packet as amended; motion carries.**

### **PURCHASE ORDERS**

Mr. Baratucci: There are a few additions. On page two there are a couple items. The top three were added since last week. They are items that for central supplies that will take us through the end of the year. On page six there is an item, a vehicle for the Coroners office that is being worked on for them for a while and wanted to get through with this years budget money. Page twenty-seven, you approved a bid last week for a new washer extractor for Spring Creek so that has also been added. All of the budget issues have been resolved.

Mr. Hartwick: Page six, that was approved in the 2004 budget as a capital request?

Mr. Baratucci: Correct. They actually have \$26,000 and they are getting it for \$20,700.

Mr. Hartwick: I just did not remember that in this year's budget.

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the Purchase Orders; motion carries.**

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

Mr. Yohe gave the following report:

- **December 3, 2004** transferred **\$479,029.21** to the **Payables** account from the County's **Concentration account** for checks issued that week. **(The financial system was shut down)**
- **December 10, 2004** transferred **\$5,542,013.13** to the **Payables** account and **\$1,929,695.10** 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 \$122,484.61 rate 1.89%**
- **Balance today in Community Banks investment account \$6,400,837.19 rate 2.45%** (This rate is good through 12/31/04)
- **Balance today in Commerce Bank investment account \$12,800,839.59 rate 2.53%** (This rate is good through 12/31/04)
- **Balance today in Waypoint Bank investment account \$6,400,839.72 rate 2.50%** (This rate is good through 12/31/04)

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

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

Mr. Yohe: Today is the day we advertised to approve the Calendar year 2005 budget for Dauphin County. I have handed out a summary sheet. We are going to change a little bit of direction here. I have put together some slides to try and illustrate the tough circumstances you inherited when you took office a year ago. There was some talk today about the debt burden. As you can see, in December of 1999, Dauphin County's outstanding general obligation debt totaled \$50,315,000.00. When you took office that

had grown to \$105,070,000.00. In the interim in those four years the debt grew 50 million approximately. None of that 50 million was essentially paid in those intervening years. It was pushed back and started hitting the budget in 2004. That is total outstanding debt now what that means to the debt payment is. This is our annual debt payment. As you can see the blue line illustrates. Here is the annual debt service coming in to 2000 it dropped off completely in 2010. This is the actual debt service payments for the last four years, this is the projection. When you took office this is what you were faced with here. As you can see the debt was put off in 2000, 2001 and again in 2003. We were looking at an annual 6 million dollar payment. Since that time, that escalated to 12 million dollars per year. Six million dollars the previous tax increase in 2000 carried us to 2004 roughly and it did not take into account this future debt obligation. Second item that you inherited and we have been taking steps to remedy is Spring Creek. You can see the escalation in the county subsidy requirements from 2000. It peaked in 2002. We had slightly a better year in 2003. We are estimating to go up over \$6 million and we budgeted \$4.1 million for 2005. We hired a consultant firm and you can see we are dropping the anticipated county subsidy steadily over the next four years. I will tell you that these numbers are higher than what the consultants have given me by  $\frac{3}{4}$  of a million dollars per year. Until I see it I am not comfortable projecting the savings giving the history of the last four years of that facility. \$1.2 million three or four years ago and we are looking at \$6 million today, again, nothing was addressed for those kind of payments from the previous Boards tax increases.

Mr. Hartwick: That also includes debt service on the new building?

Mr. Yohe: Yes. A third situation that was not anticipated and this had nothing to do with any of the previous Boards. We have been holding our own on health benefits. We have been switching companies and we have been looking at plans. We have put off the inevitable large rise in health benefits cost until 2004 and it is really going to hit in 2005 and this is despite our best efforts. These numbers reflect significant savings due to the co-pays you implemented. These figures would be lower if we get participation from the union. The general fund alone I checked we could reduce this by \$400,000.00 if we get union participation. We are bound under contract and 68% of the general funds workforce are under union contracts. Probably half of those are not participating so if we could work that in, I know we are working on that, it would be a significant reduction across the board if we could get some cooperation on that end. You can see the dramatic increase in health benefits and this was not anticipated even with the 19% tax increase we implemented last year. We thought we could hold off for a couple years, well that didn't happen. Compounding your problem I think that is the list of our problem here in Dauphin County and the current tax system that we have available to us is despite the growth everyone sees everywhere. I see it myself, new homes going up, new shopping centers going up, what I did hear and I backed out tax increase as such, this is the actual growth in countywide assessment. We backed out the rise in reassessment in 2002. This is just complete rise in assessments for the last five years we can see 1.37% over five years. Without a tax increase 1.37% would generate additional \$600,000.00 or \$700,000.00 for the county. There is nothing we can do about that. Legislative action is needed. This puts the burden on those who are able to

pay rather than their property. In this chart, the blue is the projection was shown when we approved the budget last year at this time, 2003 or 2004, with the tax increase going into 2004, Commissioner Haste was sitting on the Board at this time and advocated that the tax increase was not high enough at the time, our estimated fund balance after a 19% tax increase in 2004 was \$328,000.00. We had a 19% tax increase with a projection report showing that we would be left with a \$328,000 balance at the end of this year. The red is the new figure since you took office. You can see that we made significant head way. We raised it from \$328,000.00 to the \$9.4 estimate for 2004. We eliminated a deficit here with a slight increase. This assumes no tax increase, these red figures. You can see that is short lived and again we are looking at 2008 of a deficit of almost \$47 million without a tax increase. Any questions yet. I then overlaid them. This projection in yellow is now the proposed tax increase of 19%. You can see we leveled off our balance. The balance is back up to levels we enjoyed in 1997. With a 19% tax increase it trails off in four years. That is because of the growth in tax revenue. Those are the slides I have. They are different than the presentation we had on the 24<sup>th</sup>. What we are looking at is page one in your report. We are focusing on the general fund and we are anticipating a 110 million dollar 2005 general fund budget. That represents a 1.65% increase from our current general fund budget. Total there are ten funds that run on a calendar year basis. They total \$165,938,213.00. We are asking for approval of \$165,354,782.00. So in total our calendar year budget drops a half million dollars. Some of the key assumptions, factors that are built into this budget again 1.65% higher than the general fund and \$1.9 million saved from the eliminations of positions and lay offs of various positions in the county. We started the process in July and the anticipated deficit at the end of four years was over 50 million dollars. Next chart just illustrates our relationship with the various funds. Those are the transfers. We focus on general fund, where the tax monies come in. I will show two more charts here then we will move on. Again, you will see our dependence on taxes. 71% of all general fund revenue comes through taxes. That is our source. On the expense side, we have 59%. Our salary and benefit costs, out of the 59%, 70% are unionized. Your hands are pretty tied with unions that can go to salary arbitration. In closing there are two other charts we can look at those in the hand outs. What we are proposing today is a 19% increase in the millage rate from 5.778 mills to 6.876 mills in the county general fund. In the last chart that shows the impact of this on various appraised residential values from \$50,000 it is \$54.90 increase, on a \$250,000.00 appraised value, it is a \$275.00 increase. Per month that would equate to an increase of \$4.58 to \$22.88 in a mortgage payment per month. Again, one note I will make our general fund balances are too high we have a very large pending possible reduction in Children and Youth funding (TANF) that is not factored into this in anyway. If that goes away, our numbers drop significantly. That can range from \$4 to \$8 million a year. That is not factored into here. What is factored into here is the EMA upgrade. The radio proposal that has been kicked around for years and years. We are finally going to act on that. Those numbers are significant and are included in this option. I am open for questions for now.

Mr. Saylor: The county credit card bill has come due and the question is to either pay it or rack up even more charges as they did in the past. The issue I want to address specifically as the person who is in charge of organizing these meetings. This has been

no secret. This has been a very open process from the get go. As you know we have meetings every Wednesday morning and these meetings are properly advertised. Most every other county operates in this fashion. The actual facts about this budget have been no secret. It has actually been reported very frequently by the press. As a matter of fact we went through the trouble of identifying in the daily newspaper for this region the fact that since October 2003 this issue has been discussed and that a tax increase is necessary. In fact, during your own election campaigns this issue was debated. The details of this budget and the actions you have been taking to address the spending are all public documents. The binder with the budget sits out at the front desk for anyone to see who is interested. The documents are also online and can be easily downloaded and scrutinized by visiting our website. We have had numerous town hall meetings through the entire county this past summer and this was one of many issues addressed. The fact of the matter is that the way we do business in county government is state law stipulates, that you set the date for approval of the budget, which for all counties, comes at the end of the year and laid out for the public twenty working days ahead of time. Then vote on it and that is what we have done here. There has been a lot of discussion about times of meetings and locations of meetings. The previous Board has tried evening meetings and meetings throughout the county and public participation has been very low. This has been out there and has been no secret.

Mr. Haste: I would like to thank those individuals who have come here today to voice your opinion. This has not been an easy process, nor has it been something that any of us have shied away from. I would ask that those who are concerned about this take a hard look at this. This is a situation that unfortunately is not unique to Dauphin County. I wanted to thank the gentleman who talked about bringing development to the city and I wanted to thank him for that. The thing that I think needs to be noted is that I have done research into what other counties have done and 75% of all the counties in the Commonwealth of Pennsylvania have had to raise taxes in the last two years. 37 counties that I was able to research raised taxes this year. What was alarming was when they had to raise taxes, they were not single digits, many were double digit raises. Perry County was 50%, Lebanon County 24%, Berks County was 33%. I think Berks County has to go to the courts for approval to raise theirs because they exceeded the millage rate that they are permitted. I have said this numerous times and I hope those in the audience who are irritated take heed and join us. This, if nothing else, is clear that the day has come for tax reform in the Commonwealth. Those who are concerned if the three of us understand the little people ought to come and join us for a day because we live with the little people as well. We are in communities helping people all the time. We are in this position because of that desire to try to help people. The Commonwealth and those who set the standards by which we must govern are the ones who clearly must start paying attention to this and addressing it. For 75% of the counties in the Commonwealth to have to do a tax increase ought to scream loud and clear to the legislature that something is wrong. Most of what counties do are requirements directed to us by federal or state government. We are really an agent of them being the ones that have to carry out programs that they adopt. Often times they will make funds available and those funds never keep pace with the demand of services

that are there. In fact I believe it was in yesterday's newspaper that the Governor's Budget Director was saying that they have a surplus now. But the rainy day fund that won't last long and when that happens one of the first places they look to cut are funds that they give to county government to enact the programs that they require we do.

This taxation system that we have, the real estate tax, in my opinion, and I said before, is as archaic as the old tax the King had that we paid taxes on the number of windows we had in our home. This had nothing to do with someone's ability to pay or with the services someone requires and it is just flat out unfair. I think the time has come that the counties and I will be speaking to other counties and I hope the citizens do as well, realize that for this problem to go away. The legislature must change things.

It will not go away if things stay as they are. Counties will be in this situation and you could go back in history. Counties are in this situation every four to five years. All counties are in the same situation we are in where expenditures far out pace the increases in revenues. If something doesn't change, this day will revisit us and revisit us as it has in the past. I think it has clearly come to that the system has to change. The taxation has got to be done on someone's ability to pay not because of the property they own or the house that they live in. Someone may take that however it is but that is the reality of it. This does not change and will not happen until the system changes. To meet the demand that is placed upon us does not appear to be any trend going down. What drives 75% of this budget is the criminal justice system and the services that are needed by the elderly. I do not see the population getting healthier or younger and I do not see a trend that there is less crime being committed and less people being incarcerated and through the system. Until those two trends turn around the demand in services will not go away. As harsh as that may sound to somebody, that is the reality of what drives this budget. The other reality is that the system that we have is unfair and quite frankly does not take in to fact someone's ability to pay. We even wrestled with the fact of knowing that this budget, which we have to vote to raise someone's taxes, puts pressure on someone with a very fixed, limited, income. We would, if it was at our disposal would set a limit by which someone could be exempt on their taxes and cut someone a break. We don't even have that ability. There is paper work that I placed in the back that does allow some people to defer the increase in their taxes. Quite frankly, we are at the limit that the law allows us, the legislature allows us to let someone who has a family income of \$15,000 to defer the increase in their taxes. We can't even raise that. If we sat here and heard everyone and wanted to raise that to \$20,000 or \$25,000 what ever that number is we do not have the ability. We are at the limit that the legislature allows us. We sit here and people think that we don't listen to what the folks have to say and feel the pain of those people. That is just flat not true. This budget vote is a vote of pain and unfortunately that pain has to be shared across the Board. It is a pain that our county employees are feeling and that our taxpayers are feeling. It is not fair. There is nothing I can do about the fairness of it. All I can say is that we are taking a very unfair system and making it as fair as we can. You will hear me speak loud and clear in future weeks and months about the need to change this system. If there is nothing else that this budget process has done for me but exemplify how unfair our real estate tax is and how the time has come in this Commonwealth to

change our taxation system based upon someone's ability to pay. Is there a motion to adopt Resolution #40-2004.

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve Resolution 40-2004 ; motion carries.**

Mr. Yohe: I would like to note that this is my 20<sup>th</sup> budget process and have never had the cooperation that I had from you three and I appreciate that. I am more confident that you know what is in this budget than any other Board. Thank you.

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

Mr. Saylor: Nothing to report.

**SOLICITOR'S REPORT**

Mr. Foreman: There are no changes to the report. Happy to answer any questions if there are any.

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

**MATTERS REQUIRING BOARD ACTION**

Mr. Haste: We have items A thru U. Are there any that need to be pulled out separately and discussed?

Mr. Saylor: I don't know of any.

Mr. Haste: Is there a motion to approve items A thru U?

**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve items A thru U as listed:**

- A. Training Packet
- B. Real estate tax refunds/exonerations:
  - 1. Refund of 2004 real estate taxes to Shaffer & Gelder Development, Deer Run Dr., parcel #24-049-140, Derry Township, in the amt. of \$399.20.
  - 2. Real estate tax refund to Shirley L. Hoon, Tax Collector, in the amt. of \$272.33 for parcel #25-008-008-078-0176. (Taxpayer's insufficient funds)
- C. Approval of FY2004/2005 Per Diem Rates between Children & Youth Agency and:
  - 1. YMCA Camp Curtin Branch  
Teen Court-Delinquency Prevention Program \$26,522.50/annual
  - 2. Jump Street

Imagine Nations Summer Camp

\$6,250.00/5wks.

- D. Approve a request from the Swatara Township Board of Commissioners to consider \$150,000 of Liquid Fuels Funds for the conversion of Paxton Street to two-way traffic.
- E. Adopt Resolution No. 41-2004 authorizing the initiation of eminent domain proceedings to acquire the property at 1300 Rolleston Street, City of Harrisburg, for the public purposes of constructing and operating a District Justice Office.
- F. Approve a request from Middletown Emergency Management to place measuring numbers on the County Bridge "The Aqueduct" located on South Union Street, Middletown.
- G. Satisfaction Piece for Anna M. Baskerville for property located at 3210 Derry Street, Harrisburg.
- H. Authorization by the Dauphin County Board of Commissioners to terminate a Temporary Parking License Agreement dated November 3, 2004 with Feldman, Lubert, Adler Harrisburg LP.
- I. Agreement between Dauphin County and Harrisburg Parking Authority to provide parking spaces for jurors during the Year 2005.
- J. Emergency Subscriber List Information License Agreement between Emergency Management Agency and Verizon to support release of requested information to the City of Harrisburg.
- K. Adopt Resolution No. 42-2004 authorizing the increase in the Grant Allocation for the HOME Rehabilitation Program (Economic Development).
- L. Adopt Resolution No. 43-2004 authorizing the re-allocation of Lead-Paint Reduction Program Funds to the HOME Rehabilitation Program (Economic Development).
- M. Approval by the Board of Commissioners of the proposed Tax Settlement Agreement with Ryan Buck for property located at 1622 Zarker Street - parcel #09-052-047.
- N. Amendment #1 to the FY03/04 Purchase of Service Agreement between Mental Health/Mental Retardation and Family Service Partners.
- O. Purchase of Service Agreement for FY04/05 between Children & Youth Services Agency and Keystone Education.
- P. Zelenkofske Axelrod LLC Agreement to audit the Comprehensive Tobacco Control Program for Drugs & Alcohol for the period of July 1, 2002 through December 31, 2002.
- Q. Professional Services Agreement between Dauphin County and Hewlett-Packard for Statement of Work for the Dauphin County Adult Probation Office Mobility Solution. (Information Technology)
- R. Reappoint Bradley Forman to the Industrial Development Authority. (Term will expire January 1, 2010.)

- S. Adopt Resolution No. 44-2004 authorizing the issuance of Notes by the Dauphin County Hospital Authority regarding refinancing project for the Jewish Home of Greater Harrisburg.
- T. Services Agreement with Vision Healthcare Services Inc., for supplemental healthcare services at Spring Creek.
- U. Agreement with Medical Staffing Network, Inc., for supplemental healthcare services at Spring Creek.

Mr. Haste: Motion carries.

### **FORMER BUSINESS**

Mr. Haste: Is there anything for former business? (There was none.)

### **NEW BUSINESS**

Mr. Haste: Is there anything for new business? (There was none.)

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

There were none.

### **CORRESPONDENCE**

Mr. Haste: We have correspondence that will be handled by the staff appropriately. Items A thru J:

- A. Received a letter from Pennsylvania Historical & Museum Commission regarding the Harrisburg Polyclinic Hospital indicating it was listed in the National Register of Historic Places on 11/12/04.
- B. Notification from Jonas Lontz of Upper Paxton Township indicating he has applied to DEP for a general permit for underground outlets for drop boxes and downspouts.
- C. Notification from Glace Associates, Inc., on behalf of the Halifax Municipal Authority, indicating they plan to do a study of the existing treatment plant and design flow organic loading associated therewith.
- D. Notification from Civil & Environmental Design Group, on behalf of the Lower Swatara Township Municipal Authority, indicating that they intend to submit a Water Quality Management Permit Application to DEP in order to construct a new sewage pumping station to serve a new Middletown Middle School and future residential connections adjacent to the site.

- E. Notification from Raudenbush Engineering, Inc., on behalf of Steven Shirk, indicating the applicant is preparing an erosion and sedimentation control plan for a land development project located on Lot 1 of a residual tract of the former Resnick Trust parcel situated on N. Progress Avenue in Susquehanna Township.
- F. Notification from Alpha Consulting Engineers, Inc., indicating that Lakeside Towns, Lower Swatara Township, intends to propose a residential subdivision creating 33 lots to be used for townhouses and one lot to be used as a common area for the home owner's association located between Jefferson and Lakeside Drives in Lower Swatara Township.
- G. Notification from Pennsy Supply indicating they intend to make application to DEP for an air quality control for the Hummelstown Quarry, South Hanover Township, Dauphin County, for a plan approval to construct, modify or reactivate an air contamination source and/or install an air cleaning device.
- H. Received a copy of the September 28, 2004 Board of Trustees for Fort Hunter Minutes.
- I. Notification from Alpha Consulting Engineers, Inc., indicating they have made application to the Dauphin County Conservation District for a NPDES Permit in reference to construction of a project site 3.63 acres located on the north side of Linglestown Rd., Lower Paxton Township, Dauphin County.
- J. Notification from Black & Veatch indicating they intend to apply for a major permit in reference to the United Water Pennsylvania, 6<sup>th</sup> Street Water Treatment Plant, Susquehanna Township, 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 were none.)

Mr. Williams: My name is Darnell Williams. May I make some suggestions? Not that you need to take them. As far as the federal reserve, the dollar has gone down as far as currency. The federal reserve will then have to raise interest rates. I believe we have several bond issues that are variable interest rate bonds. When the interest rates go up, the bonds need to be adjusted accordingly. That means we move money out of the budget to pay bondholders. I am hoping that our Budget Director can look at a few things. Possibly talk to the unions about a cross the board salary decrease for employees. I know most of the employees are unionized and it may cause some problems but I really think we need to head something off before the end of next year. Second thing is could the County Commissioners put a referendum on the ballot, which is non-binding, explaining whether the citizens want to increase taxes as opposed to lowering expenses by decreasing salaries and cutting services out of the budget. You would then have some information to go to arbitration with the unions to say why you want to do what you want to do and why.

Mr. Haste: If I could I would call upon the Solicitor to respond to that. Pennsylvania is not a referendum state so our ability to place non-binding referendums on the ballot are very limited.

Mr. Foreman: We have a very limited ability to put referendums on the ballot. We would not have the ability to put a referendum such as you suggested on the ballot under the current system this state has.

Ms. Williams: Do you have the ability to use unsecured money market accounts which gives a higher interest rate, I believe they are giving 8% now.

Mr. Haste: County code again is very clear on where we can invest our monies and unsecured is not an area.

## **ADJOURNMENT**

Mr. Haste: Is there a motion to adjourn?

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to adjourn the meeting; motion carries.**

Transcribed by Kacey Truax  
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