



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

JULY 27, 2011
10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Mike Pries, Vice Chairman
George P. Hartwick, III, Secretary

STAFF PRESENT

Laura E. Evans, Esq., Chief Clerk; Janis Creason, Treasurer; Bruce Foreman, Esq., Solicitor's Office; Fred Lighty, Esq., Human Services Director's Office; Hector Ortiz, Human Services Director's Office; Leila Brown, Solicitor's Office; Jillian Van Belle, Solicitor's Office; Terry Kaufman, Solicitor's Office; Kay Lengle, Human Resources; Brad Winnick, Chief Public Defender; Dave Schreiber, Human Resources; Josh Eisner, Commissioners' Office; Bree Thomas, Commissioners' Office; Debora Lisi, Controller's Office; Samuel Echevarria, Controller's Office; Melissa Wion, Human Resources; Steve Libhart, Director of EMA; Stacey Patrick, Controller's Office; Randy Baratucci, Director of Purchasing; Faye Fisher, Director of Human Resources; Larry Moore, Parks & Recreation; Greg Schneider, Budget & Finance; Julie Mackey, Commissioners' Office; Abby Gabner, Commissioners' Office; Brenda Hoffer, Commissioners' Office and Richie-Ann Martz, Assistant Chief Clerk

GUESTS PRESENT

Brad Kinsey, Jennifer Kinsey, Marley Kinsey, Nate Kinsey, Stephen Hetrick, Matt Miller, James Roxbury, Ian Miller and family, Ariel Snell and family, Ms. Tanya Barton, Dr. Robert Sehms and Alan Kennedy-Shaffer

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:07 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 a number of meeting minutes that we'll take up at next week's meeting.

PUBLIC PARTICIPATION

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

DEPARTMENT DIRECTORS/GUESTS

A. Dauphin County Commissioners

1. Cultural Diversity Essay Contest Winners

Mr. Haste: It is my pleasure to get into the next part of the meeting. Today, we are going to recognize our essay contest winners for the Dauphin County Diversity Contest. This is a project we started a number of years ago. It is actually a delight for us to sit here and read the writings of some of our very brightest young folks throughout the community. It is a kick-off to a series of events that we will do, culminating with our cultural festival that we will have outside here on Market Street, between Front and Second. It is a great night and a lot of opportunities for people to come together and enjoy each other, good music and good food. I'll turn the microphone over to Commissioner Hartwick to begin our recognitions.

Mr. Hartwick: I want to thank our Cultural Diversity Committee that has spent a significant amount of time in preparation for this upcoming series of events. I think it is critically important as young people we understand that our community is continuing to be more and more diverse. Understanding and knowing the roles and the background, the culture and heritage of your classmate or your co-worker is more than just them coming to school, it's more than them working next to you in an office location, whether it is somebody who is handicapped, different culture to understand a little bit about their

background, heritage and what impacts that we can have coming together as one community that is diverse. It is certainly something that I want to make sure that we are all thinking about...what does diversity mean to you in your community and how can you be planning ahead in order to make sure your community is represented of all the viewpoints that make up this great County of Dauphin. That is just one of the things that are great about Dauphin County. We have rural, suburban and urban communities that, quite frankly, give you a flavor of any other place anywhere in the world. We are very proud. I remember when I was involved and became Mayor of Steelton for the first time we adopted a slogan that said "Many Countries, One People". Ultimately we have the ability to smile. I think there was a year where there was a phrase "We all Smile in the Same Language". We certainly have the ability to come together for these series of events as employees. This is something that the County had never taken on before and has been extremely well received. It is going to culminate on August 5th with a downtown concert, which I hope you all come to. It is a free concert featuring the Impact Band and none other than the Godfather of Go-Go, Chuck Brown. If you all feel like busting loose it gives you an opportunity to enjoy that great talent that is going to be here culminating the week's events.

Today, we are here to recognize the participants in our Diversity Essay Contest. I had the pleasure last week to recognize the winner of the 6-9 year-old division, Commissioner Pries and I did. She was going on a family vacation and came in and we had an opportunity to talk to her and view her essay. She was a very delightful young lady. She certainly is not able to be with us, but we certainly appreciate her participation and the example that her family set by having her participate.

It is my honor to be able to announce and congratulate the second place winner in the division of 6-9 year-olds. It is a Mister Ian Miller. (Applause was given.) (Ian sat in Commissioner Hartwick's seat.)

Ian's hobbies include, but are not limited to, playing basketball, baseball and playing with friends. Besides lunch, recess and PE, Ian's favorite subjects are Science and Computer, which obviously are where the jobs in the future are going to be. Ian is the grandson of the late Judge William W. Lipsitt and has two older brothers and one older sister. Today, Ian wants to be a professional basketball or baseball player. Ian's goals change often, but one constant goal is to go to college so he can get a good job and make lots of money so he can buy anything he wants and not have to ask Mom's permission. (Applause was given.)

We have a Certificate for Ian today, as well as some cold hard cash that he can start the process of saving so you don't need to ask your Mom for anything. Congratulations and great job!

Mr. Haste: We'll get a picture with everybody at the end.

Mr. Hartwick: My second opportunity today is to honor the first place winner in the 10-14 year-old division from the Milton Hershey School. I'm hoping I'm going to get this correct; it is Jabesso Yadeto-Shinjka? Is that correct?

Dr. Sehrs: Yes, that is correct. Jabesso and his family were planning to be here, but unfortunately I don't see them. My name is Bob Sehrs. I'm head of the middle division. He is one of my students. I would be more than happy to accept this gift on his behalf. I apologize; he was planning on being here. Something must have come up that delayed their arrival.

Mr. Hartwick: If he does get here later, we'll certainly honor him. I'll read a little bit about him before he gets here so we can all act like we know him as he enters the room. Jabesso loves to play sports and go out and have fun. He likes to draw and create various types of art. By far, reading is his favorite subject, as well as English and Social Studies. He has two siblings, one of which is a girl who also attends Milton Hershey School as a sophomore. She is 16. He also has a little brother who goes to school in Washington and he is 11 years old. Jabesso wants to become an artist. He loves the fact that you can earn a living doing what you love every day. If not an artist he would like to do graphic design and would like to travel the world some day. His goal is to attend Georgetown University in Washington, D.C. He knows it will be a tough road ahead and wants to also be someone in the world that is an inspiration to others and a decent role model for those who will come after him. Let's give him a round of applause in his absence. (Applause was given.)

Mr. Pries: As Commissioner Hartwick did say Anna Parke was in the other day and we did present her with the award and certificate. She is a very talented young lady representing Northside Elementary.

I have the distinct honor and privilege of recognizing Marley Kinsey today. Marley, would you please come up? (Applause was given and Marley sat in Commissioner Pries' seat.) This is Marley's third time here with us as a finalist for this award, which is pretty amazing considering all the talented individuals who have been here each time. Being here a third time shows how talented you are. I'm sure your Mom, Dad and brother are very proud of you, as are the Commissioners, your School District and your friends. This is something that is not easy to do, but you have accomplished it three times. I believe you are going to read us your essay at this time.

Ms. Kinsey read her essay:

"How Can I Promote Diversity and Embrace Inclusion in my Community?"

Like many students, I strive to promote diversity and embrace it in my daily life at school, at home, and in my community. I enjoy making friends with others of different beliefs, backgrounds, religions, races, or abilities. I talk about diversity and try to promote or embrace it by listening to and valuing other people's ideas, opinions and traditions. If I see someone being discriminated against, I'll speak up and defend that person.

Our schools have programs in place which promote inclusion and respect for diversity such as multi-cultural education, encouraging a sense of belonging in the classroom, etc...Even young children can recognize when someone is being excluded. My friends and I try to make others aware of how exclusion can affect a person. We want to set a good example and increase our peer's willingness to be inclusive.

In our community, parents, professionals, leaders, and the media also play an important role in supporting a culture that embraces inclusion of all and values individual differences. We embrace each citizen's unique skills, experiences, perspectives, and backgrounds. We value their contributions and encourage an environment of mutual respect.

I believe that both diversity and inclusion give our community a competitive edge. We should promote and support businesses and leaders who practice inclusion and show a passion for eliminating all forms of discrimination. I am proud of Dauphin County's commitment to promoting diversity and inclusion, not only because it makes good business sense, but because it's the right thing to do."

(Applause was given.)

Mr. Pries: With folks like Marley, the future of this country is certainly in very good hands. Congratulations to you again! Marley is representing Kunkle Elementary School, 10-14 year-olds. Her hobbies include reading, writing, shopping and most of all dancing. She has several hours of dance lessons every day. She does very well in school and her favorite subjects are Reading and Science. She enjoys going to the beach and playing with her younger brother, Nate, who is here with us today, and her dog, Ziggy. She is very charitable and has been volunteering and collecting donations for the Middletown Food Bank since she was in nursery school. She organized a bake sale to raise money for breast cancer awareness last fall and raised over \$1,200 for her town for the American Heart Association during her school's jump rope for heart event this past winter. Her goals for the future include becoming a published author, touring with a professional dance company and owning her own dance studio one day. Congratulations!

(Applause was given.)

Mr. Pries: Here is your Certificate of Outstanding Achievement presented to you and signed by all three Commissioners and cold cash. This is no surprise to me as Marley's Mom is a graduate of Shikellamy High School in Northumberland County. I went to school with a lot of people that your mother knows and folks from that school district and county are very talented individuals. So, this does not surprise me at all.

Mr. Haste: It's my pleasure to honor our last recipient today. Actually reading through this, she is a very impressive young lady with some very lofty goals ahead. Ariel Snell represents Harrisburg School of Technology and Science. She is the first place winner in the 15-18 year-old category. Ariel loves to swim, read, bake and watch movies. Her love for science has helped her to determine her major in Biology in college. Ariel has two brothers, RJ is 17 years-old and Sheldon is 14 years-old. After she is out of school she plans on becoming an orthodontist. Ariel plans on attending Seton-Hall University in New Jersey majoring in Biology and minoring in Spanish. As an undergraduate she wants to serve as a research assistant for her Science professor and travel abroad to learn how dentistry is practiced in other countries. After dental school Ariel wants to

open up her own dental practice one day. Very impressive goals...my dentist that I go to, he, after many years, decided that he wanted to go to rural parts of Pennsylvania to help those who were not able to have easy access to dental. I know your desires are to go abroad and that is an amazing gift that you want to give to other people. Too few of us, me included, did not understand the importance of dental hygiene and dental health. It is amazing that you, at an early age, have done that. Believe it or not, in school I loved Math and Science. Biology was one of my favorites. I don't use either one of them; well I do use Math a little bit, but Biology not too much right now. Hopefully you are able to take those desires and do great things.

(The Certificate was presented and applause was given.)

Ms. Snell: I plan on attending Seton-Hall University this August and I'm just so thankful to the Dauphin County Commissioners for providing me with this award. Thank you so much and thank you to my family and grandparents for attending and being here with me.

(Applause was given.)

(Pictures were taken.)

B. Stephen Hetrick, Retirement Collaborative LLC

1. Deferred Compensation Plan Update

Mr. Hetrick: I'm Stephen Hetrick with Retirement Collaborative. I have a few issues that I would like to discuss regarding the Deferred Compensation Plan. You should have before you the summary along with on Page 3 the proposed motions.

I'll go through the summary and then we can touch base on the motions. The first one is to begin the termination process with the Morley Capital Stable Value Fund. This is something that we have done in the past and it is just a precautionary measure. Our intent is not to terminate the contract with Morley, but to begin the waiting period. They have a 365 day or one-year waiting period before you can take the money out as a plan with inhabited book value. Book value would be similar to like a money market plan, a dollar in is a dollar out. Participants have the ability, at any time, for plan participant events to make that exchange and transfer money out at book value. Let's say the plan decided they wanted to go to short-term Treasuries instead of using the Stable Value Fund. The plan would need to go through that waiting period in order to get the money out at book value. That would only be an issue if the actual underlying bond fund had losses at the time. It could also be ahead of book value and you could get out more than what the actual dollar value would be. The reason for doing this is let me first start by going over what is a stable value fund and just recap that for you.

The stable value funds are capital preservation investment options available in retirement plans. They are invested in high quality diversified fixed income portfolios

and have a very short maturity on the bond funds. It is safer than a long-term bond fund. The bond fund is backed up by wrap contracts that provide that insurance that should, if the plan is withdrawing the money or the participants are making those transfers, step in to provide at a book value if Morley can't. Now, Morley has never had to use one of those wrap contracts. They have always been able to handle it from the fund.

The reasons for taking this action...What we are looking at currently is we have a weakening global economic condition. There is a sovereign debt issue in Europe, the fiscal and deficit issues in the U.S.; austerity is going to be a keyword in the future. What that really means is reduction in public sector spending. Private sector layoffs are accelerating. This past week, Sysco, Lockheed Martin and Borders announced 23,000 combined job layoffs. That is following 43 mass layoffs that were planned in June. That added to the unemployment situation that we currently have and with the public sector cutting back on jobs, it doesn't look real good for the economy. The U.S. Housing market is also still very weak. Gas is getting close to \$4 a gallon. All of those things, if they should continue to deteriorate or if there would be a small shock that would hit the global financial structure, then I think it could easily throw the U.S. Economy into a recessionary period again.

How would that affect the stable value fund? It probably would not affect it at all. In fact, it would probably be good for the stable value, because people would move money out of stocks and into the stable value to seek the capital preservation and safety that they provide. The real issue would be what if there is that sovereign debt or debt crisis issue where there are defaults on bonds so you don't get the full payment back for the bond that you anticipate or the full income that was guaranteed by that coupon payment that you originally had in the contract with the bond issuer. If that happens, then the wrap contracts would kick in.

What happens if there is a simultaneous financial crisis that would occur, similar to what we had in 2008 and be intensified then there might be an issue where the providers of the wrap contracts could not meet their obligations? The probability of all this happening is extremely low, but it is not outside the realm of possibility. That is probably a 1% or less than 1% event, because all of these things would need to kick in at the same time. If that would happen, what that would mean is that Morley would not be able to back up and provide that book value for participant actions or also for the plan actions. What the VEBC is recommending that we do and my recommendation with Retirement Collaborative is to start the termination process so that we are further along in that 365 day waiting period should the plan decide to move the money out of stable value. Like I said and I've told the VEBC, I don't think that is going to happen. I think what will happen is what we had before when we did this in 2009, because of issues with AIG who was providing wrap contracts at the time. We started the termination process and when that period was up we told them to leave the money there, because they had been doing a very good job. This would be a safe type of maneuver. It wouldn't cost anything other than processing some paperwork and staying on top of the termination process. Since the costs are negligible, just a little bit of time,

the VEBC approved doing this. The goal would be to monitor the process and hopefully stop the termination process before it is completed.

The other thing you might want to consider is allowing the VEBC to start and stop the termination process in the future if they decided to do this again. If they were going to complete the termination process, they would need to come before the Board of Commissioners for approval and with a recommendation of another stable value option. There are two motions, motion #1 and #2. Are there any questions regarding the stable value? (There was none.)

Next are the plan amendments. The eligibility requirements for the Deferred Compensation Plan are different from the other voluntary benefits and pension plan. This was how the Deferred Compensation Plan was originally set up and changes were never made to bring them into alignment with other employee benefits. In order to streamline the eligibility requirements, the VEBC is recommending that to be eligible for the plan a participant must be a full-time employee or any type of part-time employee with 1,000 hours of annual employment. Currently it is open to any type of part-time employee, seasonal or per diem without regards to hours worked. This would be in the Deferred Compensation Plan in line with the eligibility requirements for the pension plan. Similar to other voluntary benefits, the benefit would start 90-days after employment begins. Currently contributions can begin immediately. So, the VEBC is requesting that the plan document be amended to affect those two changes to bring them in line with other employee benefits. Currently there are six part-time employees within the Deferred Compensation Plan and they would be grandfathered in. It would not affect them at all. This would be for new participants going into the plan and for new hires.

Mr. Hartwick: I'm aware of the obligations and the exposure that may provide our defined benefits plan, but what is the down side? I know we want to be consistent with our policy, but what is the down side in actually making the investment, because we are not required to provide any match in this situation?

Mr. Hetrick: There is a \$4 per pay additional contribution that is made whenever the participant makes their \$10. It's not actually a matching contribution, because it's that static \$4. It would save the County 90-days in doing that. Other than that there really is no down side other than keeping things more in line with the other benefits structure and making it easier for the benefits department to administer and communicate that to the employees. Everything would be more streamlined.

Mr. Hartwick: Explain to me the matching part.

Mr. Hetrick: Currently it is open to anybody, day 1 of employment. So, if someone is hired and they start contributing to the plan and then they leave two months later, their money would be in the plan and then they would have to either roll it over or take it. It is open from day 1 to any employee without regard to their employment status being full-

time, part-time or what type of part-time without regards to hours worked and there is no waiting period.

Mr. Hartwick: You talked about the \$4.

Mr. Hetrick: The minimum contribution into the plan is \$10 per pay. The County provides a \$4 additional contribution anytime somebody makes a contribution of \$10 or more into the pay. That would be \$104 a year per participant in 26 pays. There would be a little bit of savings right there. You would be surer that someone is going to stay employed if they make it through the 90-days.

Mr. Haste: Is it a real administrative difficulty though to give this benefit to the part-timers?

Mr. Hetrick: I'm not sure.

Ms. Bradley: One of the reasons why we want to do this in the benefits department is it falls in line with all the other benefits. Right now when we consider all the open enrollment meetings and all the benefit meetings part-timers are not included in any of those benefit meetings. There are no other benefits that they are allowed to be a part of considering their part-time status. We would have to start and rethink how we do all of our open enrollment information to include deferred comp to make sure all the part-timers are receiving that information. Communications would have to change to make sure that just deferred comp is introduced to all the part-time people to know that benefit is available to them. The only other benefit right now that some part-timers have is AFLAC. We are looking into that as to why that is, because there are IRS requirements regarding part-time hours and salary as to whether or not they can participate in AFLAC. We are looking at that benefit as well for part-timers to make sure we are in compliance. Other than that there are no other benefits that part-timers are allowed to enroll in right now.

Mr. Hartwick: Unless they exceed the 1,000 hours per year.

Ms. Bradley: Right, that would fall in line with the pension.

Mr. Hartwick: I think it was the whole discussion we were having in our Retirement Board Meeting, because we were trying to rely a little bit more on part-timers to keep some of our other items and areas that we can't control like pension and benefits a little bit more under control, which probably had us take a look at all of the benefits that are offered across the board related to part-timers.

I think it is good for a consistent policy. What I want to make sure that we are not doing, because we are utilizing some part-timers in key areas, it is always good to provide a little bit of a valued benefit for them to work for the County. We want to make sure we are sort of balancing that with the ability to attract good quality workers in those positions.

Ms. Bradley: Sure. I think by following the pension rules with the deferred compensation, it does provide that as well and it also gives us a better gauge on what part-timers have the coverage and who does not. Following in lines with the pension plan, the VEBC felt it made more sense to be able to review deferred compensation and all the participants, part-time or full-time. Especially right now the way it is written, part-time per diem employees, seasonal employees, whether they are employed or not, the seasonal employees while they are employed can participate with deferred comp. It is really hard to gauge who is here and who is not here as far as the part-time participants.

Mr. Hartwick: I'll tell you my only challenge philosophically with that is if you are a part-time employee you probably don't have a pension and the ability for you to have some way to, even with the minimal salary you make, to invest in some sort of future savings I think is a good practice for folks in that position. Philosophically I'm having a little bit of a difficult time...I understand the exposure and the \$4 piece, but we also want to try to move forward an opportunity and incentive, sort of a good practice for individuals to start thinking about their retirement even if they are in the part-time position. I'm a little conflicted with this one.

Ms. Bradley: That is understandable. The only issue is we only have six part-timers. Most part-time people can't afford to spend that extra money to take out of their check, because minimal requirement is \$10. So, a lot of people can't afford to take that \$10 or any more to participate in the deferred compensation as well. So, it is kind of a double-ended sword for a part-time person to be able to even take those funds. Even though it is a good idea to have a retirement established for you since you can't participate in the pension plan, we don't see as much participation from the part-time people.

Mr. Haste: At least right now they have a choice and we are taking that choice away from them.

Ms. Bradley: They have a choice, although I don't know in the past even how much that choice has been communicated to them.

Mr. Haste: That is really our challenge.

Mr. Hartwick: I agree. It may be more of an administrative headache, but one that I think...We are trying to reduce, in my opinion, particularly where we are going with pensions and the uncertainty in the market, even though we are doing extremely well with our overall plan. When you take a look at the actuarial assumptions and our annual required contribution, the exposure to us is great in our defined pension plan. If we can figure out ways to utilize the deferred comp plan in a way that, even for part-time employees, it doesn't really create that kind of exposure or risk for the County long term, because we don't have to fully fund the deferred compensation plan. We are only providing a certain amount of money in a situation for every \$10 that is contributed. I just like the practice of allowing that opportunity for part-timers. I'm sorry that we didn't

bring this up before, but now as I'm working through this, I would ask that we hold off on #2.

Mr. Haste: All of these we'll take up next week.

Mr. Hartwick: I want to make sure we have some continuing dialogue about that before we take any action.

Mr. Haste: We can list it on next week's agenda and we can vote it up or down.

Mr. Hetrick: On the proposed motions that would be #3 and #4.

Mr. Hartwick: What I would suggest is you talked about not being able to reach out or the limited participation, maybe we need to do a better job of communicating that to part-timers.

Ms. Bradley: That is something that we will have to review if you want to keep part-timers involved, because like I said the new hire part-timers don't stay for the new hire orientation and benefits portion, because it would only be one statement to them. It would only be one benefit. The new hires are not required to come to the open enrollment meetings, because there are no benefits for them except for deferred comp. I would have to check with the IT Department to make sure that they had email access. We would really need to see how communication can be done for those part-time people should you vote to keep them enrolled in the deferred compensation plan.

Mr. Haste: We could easily develop a flyer and put it in their first paycheck.

Ms. Bradley: They would have an original. It would be the follow-up that would be the challenge that we would have to look into.

Mr. Hartwick: I just want to promote and have the opportunity and option for good practices for individuals and have that as an option for employees, particularly if they are part-time. More than likely they are attempting to move into a full-time position. This may be one incentive to assist them in making those responsible choices in figuring out ways to create some savings for the future. I just think taking the option away, particularly with the limited exposure, may not be such a good deal if we are going to rely on part-time employees.

Mr. Hetrick: We'll work with Melissa and the benefits department to develop whatever resources that you need with that. Currently we are working on an enrollment video that if people had access to the Internet they could go and watch that video. That would be something where if they couldn't attend the meeting they could watch the video to learn more and to learn how to enroll online or through paper.

Mr. Hartwick: Maybe we can set a follow-up to at least communicate before next Wednesday.

Ms. Bradley: It's not taking away completely all the part-timers. It is just having an hour requirement added. It is not totally eliminating part-timers from deferred comp, it is just considering that they at least have to work the 1,000 hours.

Mr. Haste: We are actually trying to encourage people not to have part-timers go over 1,000. You are eliminating. There is a real benefit for us to have part-timers stay under the 1,000. That is one of the ideas of having part-timers.

Mr. Hartwick: That is what sparked the conversation, because we are utilizing part-timers that were exposing us to both healthcare and pension. That is not the intent of the use of part-timers.

Mr. Hetrick: The third matter would be rollover systems. Currently in the Deferred Compensation Plan when you terminate employment, either through retirement or you leave the County's employment, you have to have a minimum account balance of \$5,000 in order to leave your money in the plan. This is common to any type of employer-sponsored retirement plan. If the participant doesn't have that \$5,000 they need to take a distribution or roll it into an IRA or another employer-sponsored plan. The issue is what happens when you send out communications to somebody and they never get back to you and the money stays in the plan. What do you do with those people? The plan uses RolloverSystems in order to roll that money over into an IRA. We have been using them for several years now. They administer that process. If they were not doing that then the County would need to do that internally, so it works out well. They work with Alliance Benefit Group, who is the record keeper to facilitate that process. There is no charge to the plan for that. They make money by charging the participant in the IRA a fee for managing the IRA and the money is transferred over into a stable value holding. Instead of RolloverSystems using a third party, which was Safe Daily to administer those IRAs, they are now doing that internally. So, they are administering the IRAs internally. Again there is no cost to the plan. There is a cost to the plan participant. In the past it had been \$30. That has increased now to \$50 for the IRA administration fee. Typically you are going to have an IRA administration fee if you have a Fidelity or Schwab or that type of thing. It is common. Typically they range in cost from American funds has a very cheap one of \$10 or \$15 up to about \$50. So \$50 is on the high side, but that also covers the administration of setting up the IRA, because again the participants are not available and they are not responding to set it up themselves and to handle that administrative process of rolling over the money. There is a new contract that RolloverSystems has. I have provided that to the Solicitor's Office for their review. Alliance Benefit Group is recommending that you sign that contract so that they can continue providing the services with RolloverSystems.

Mr. Hartwick: What is the process by which we notify?

Mr. Hetrick: Letters are sent out over a 60-day period. After that if there is no response then it would start going through that RolloverSystems process, which is probably another month or two.

Mr. Hartwick: How many are we talking about?

Mr. Hetrick: I don't have those numbers in front of me, but typically it is not very many, because either people with that amount of money are going to take that distribution out. Unlike other retirement plans there is no 10% IRS early withdrawal penalty for withdrawals under the age of 59 ½ from a deferred compensation plan. The number would be very low. Most of the times people are going to roll it over into an IRA or their new employer's plan, especially if they are receiving repeated communications that this is something that needs to be done or this will happen.

Mr. Hartwick: The amount would be paid by the deferred compensation participant?

Mr. Hetrick: Yes, so there is no cost at all to the plan.

Mr. Haste: Will we have that contract for next week?

Mr. Foreman: Yes, it will be reviewed by the Solicitor's Office.

HUMAN RESOURCES

Ms. Lengle: Do you have any questions on the Salary Board item or any items in the Personnel Listing? (There was none.)

PURCHASE ORDERS

Mr. Baratucci: Very light report this week. There is nothing unusual, except a couple budget issues to fix. Do you have any questions? (There was none.)

I just want to draw to your attention to Items A and B under Items for Discussion. These are for the vending machine services. Our current contracts terminate at the end of July so we will need to vote on these today.

Mr. Pries: Trend Vending, you were going to ask them about adding the ability to utilize a MAC card. Their answer was?

Mr. Baratucci: They have the ability to do it. They want to put those in the high volume locations. They are moving the machines in and they are working with Edgar on that. They are going to monitor it for a little while just to make sure they put them in the ones that make sense, because there is a cost to that. There is no change in the pricing, but they want to put them in a place where it is worthwhile. We are going to check that out in the first couple months. It is available and will be done at our request, if we want it.

TRAINING PACKET

Mr. Haste: I don't believe there is anything on the training packet we need to take action on.

ITEMS FOR DISCUSSION

- A. Contract between Dauphin County and Coca-Cola for the vending machine services. **(**A Vote is Requested 07/27/11**)**
- B. Contract between Dauphin County and Trend Vending for the vending machine services. **(**A Vote is Requested 07/27/11**)**
- C. Appointment of Renee Holloman to the Tourism Board. Ms. Holloman's term will expire December 31, 2014.
- D. Purchase of Service Per Diem Rates between Children & Youth and:
 - 1. Bethany Children's Home, Inc.
 - 2. Boyo Transportation
 - 3. Cornell Abraxas Group, Inc.
 - 4. Community Action Commission
 - 5. Reading Specialists Educational Association

Mr. Haste: As Randy mentioned we have Items A and B. Item A is the contract with Coca-Cola for the soda vending machines and Item B is with Trend Vending for the food items.

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve Items A and B, listed above under Items for Discussion.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

SOLICITOR'S REPORT – BRUCE FOREMAN, ESQ.

Mr. Foreman: We will add the contract that you just inquired about to the Report and it will be ready for next week's meeting. Do you have any questions? (There was none.)

CHIEF CLERK'S REPORT – LAURA E. EVANS, ESQ.

Ms. Evans: Beginning at 9:00 a.m. this morning the County, through its Department of Economic Development and Constellation Energy are hosting an energy savings seminar for local municipalities. This will provide local officials with information regarding energy savings, which is especially pertinent for all levels of government in these difficult economic times.

COMMISSIONERS' COMMENTS

Mr. Pries: This will be the last time that I bring it up. It has been 30 days since the police dispatch transition from the City to the County at EMA. It has been a very smooth transition. That cooperative effort has worked out to the benefit of the City residents, as well as the County. The folks at Emergency Management have found no issues to date and are working very well with the police department. I'm very pleased to report that to my fellow Commissioners and those in the audience.

Mr. Haste: Just a reminder that we have Retirement Board. We will convene the Retirement Board at 11:00 a.m.

PUBLIC PARTICIPATION

Mr. Haste: We are again at the point in time in the meeting for public participation. Is there anyone in the audience that would like to address the Board?

Mr. Kennedy-Shaffer: Thank you Commissioners. My name is Alan Kennedy-Shaffer, Attorney at Law in Harrisburg. I just wanted to introduce myself to you. I presented my resume to you. I understand that my name was forwarded to this Commission by the Human Resources Director for a Law Clerk position with one of our County Judges, Judge Dowling. I understand that there may be some questions about the exact nature of the position itself, as to whether the exact job that I would be hired to do as a Law Clerk. I understand there was some confusion, so I just wanted to introduce myself, because I understand this issue may be coming back to you at some point down the road. I would be happy to meet individually with you or with the Judge. I have already met with the Human Resources Director to discuss this matter. Thank you very much for that.

I would actually thank this Commission for expressing an interest in providing a statement in lieu of attendance at tonight's Harrisburg Hope Community Forum here in Harrisburg on the Act 47 Plan, which City Council voted no on. As a result, Harrisburg Hope, a non-partisan community organization, is holding a forum tonight at 6:00 p.m. at the Mid-Town Scholar Bookstore here in Harrisburg. Of course, you are invited, but we would welcome a statement from the Commissioners as to exactly your position on the Act 47 plan moving forward.

Mr. Hartwick: I think we are close to getting that to you. I believe there were a couple of amendments yesterday, but you will have it this morning. I wanted to get it to you yesterday afternoon, but there were a couple of folks who wanted to comment on it prior to it going out. So, you will have that. I'm sorry that we are not going to be able to attend, but with a little bit more notice we'll try to make it.

Mr. Kennedy-Shaffer: We'll have to do another one and make sure that it is a time convenient for the Commissioners.

Commissioners: Thank you!

ADJOURNMENT

There being no further business, it was moved by Mr. Hartwick and seconded by Mr. Pries that the Board adjourn.

Transcribed by: Richie-Ann Martz