



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**WORKSHOP MEETING**

**NOVEMBER 3, 2010**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk; Marie E. Rebeck, Controller; Janis Creason, Treasurer; William Tully, Esq., Solicitor; Faye Fisher, Director of Personnel; Brooke Miller, Personnel; Randy Baratucci, Director of Purchasing; Leila Brown, Solicitor's Office; Melissa Bradley, Personnel; Mike Yohe, Director of Budget & Finance; Amy Richards, Commissioners' Office; August Memmi, Director of Community & Economic Development; Dave Schreiber, Personnel; Greg Schneider, Budget & Finance; Jena Wolgemuth, Commissioners' Office and Richie-Ann Martz, Assistant Chief Clerk

**GUESTS PRESENT**

Tom Smida, Esq., Jay Wenger, Donna Kreiser, Dan Malpezzi, Marie Boyer, Bill Cluck, Neil Grover, Matt Miller and Jim Roxbury

**MINUTES**

**CALL TO ORDER**

Mr. Haste, Chairman of the Board, called the meeting to order at 10:17 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 three sets of meeting minutes that we'll take up at next week's Legislative 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?

Mr. Cluck: I was hoping to convey my condolences to Commissioner Hartwick. However, apparently he is not ready to show his face yet. My condolences to the majority, next year is going to be one heck of a budget year given our State situation. That leads into the purpose of my appearance.

I am Bill Cluck. I am here today as a member of the Board of Directors of the Harrisburg Authority. I believe Ordinance #6-2010 addresses the \$35 million Notes that are due and payable on December 15. My first comment is at the Harrisburg Authority's last Board meeting, last month, we passed a Resolution authorizing the issuance of a request for proposals to seek legal advice with respect to the legality of the 2007 Notes. The reason we did that is there was an allegation made at the City of Harrisburg's Act 47 hearing that those Notes were illegal or issued beyond the Authority or power of the Board of the Authority. In light of those public accusations, we thought it prudent that we receive a legal opinion on the legality of those Notes before, now in speaking, individually, as one member of the Board. I can't speak on behalf of the Board. Nobody can speak on behalf of the Board. Before there is any movement on refinancing or doing anything with respect to restructuring, refinancing or paying off those Notes, I just wanted to put the Commissioners on notice that it is something that we are doing. That doesn't mean that we favor or oppose what you plan to do. Frankly, I would like to know what the options are. I understand there was a private meeting held on Friday that included members of the Mayor's administrative staff, the Mayor herself, Chairman Haste, your financial advisor, Chairman Kurowski of the Authority and staff. This Board member has yet to be briefed on what occurred at that meeting. I did receive a briefing from a news reporter and I have absolutely no idea if what I was told was true or false. At this point what I would request in the spirit of openness and transparency, I believe the Commissioners and the Harrisburg Authority Board and frankly all of City Council, we should have a joint public meeting where we have an open and frank dialogue about all of the issues that we need to address. I understand there were issues that people didn't communicate in 2009 and the City and the County has suffered as a result. My hope is that there has been a little bit of an opening towards better communication. I think the perception of back-room meetings continues to foster cynicism and distrust, at least of an authority that deserves cynicism and mistrust because of many of the things

that have occurred over the past decade. With that in mind, I would just ask that you consider that there are three members of the Board. One member doesn't speak for the Board, can't commit the Board and that we would like to know what is going on and we would like to participate in the process.

In addition, if you will indulge me, because I have to leave shortly, we would still like the Commissioners' cooperation on enforcing flow control. There is some communication between the lawyers and I don't know if you have seen them yet, but apparently AGM would like to know what the Authority plans to do. I think the Authority's draft response is we would like to know what the County plans to do. We believe that is significant revenue that is being lost that could be provided.

We would also like to know if the Commissioners support a forensic audit. Normally I wouldn't ask that question, but because of the County's significant involvement in our budget and in particular the pending litigation, before we budget for a forensic audit we certainly would like to know the County's position. This would be a forensic audit going back to possibly 2000 with the hiring of Barlowe. It definitely would include 2003 and the construction oversight of the Barlowe project.

Lastly, I would like to invite the Commissioners to our budget hearings. For the first time in the history of the Harrisburg Authority, we are going to act like the County. We are going to have public meetings and we are going to invite the public to look at our document and comment and tell us what they think. The first hearing is this Thursday, November 4<sup>th</sup>, at 4:00 p.m. My apologies for the time, but that is what worked out for the first hearing. It is 4:00 p.m. at the Authority's offices. It is the water budget and the administrative budget. I think your interest is the administration budget. Wednesday, November 10<sup>th</sup>, will be the second budget meeting at 5:15 p.m. The last one is Monday, November 15<sup>th</sup> at 5:15 p.m. That will be the incinerator budget for 2011. The anticipation is a vote at our regular monthly meeting on Tuesday, November 23<sup>rd</sup>. Thank you very much for your indulgence.

Mr. Haste: I'll address some of these things that you brought up.

Mr. Pries: In reference to a forensic audit, what is your definition of a forensic audit? I know you mentioned about going back to 2000, but what exactly would that entail?

Mr. Cluck: It is an accounting firm and a law firm that do an investigation to answer accounting and legal questions. For example, was the money properly spent? Was there appropriate due diligence? Were there appropriate protections in the contracts, such as performance bonds? The reason for a legal firm to be involved is to advise us on, frankly, the first issue we are going to have is obtaining the relevant documents. As you probably know, the Harrisburg Authority really wasn't in charge of the project. The project was run by three people who were not the Harrisburg Authority. It is my understanding those files may not exist. The first fight, that is why we need a law firm, is to track down those documents. If they don't exist then that is a violation of State law, which requires a referral to the Attorney General. If we obtain the relevant documents,

then there are interviews that will occur and we will determine if there are viable causes of action against people who may have responsibility. That is sort of my definition of a forensic audit.

Mr. Pries: I think you said that you currently have three members, correct?

Mr. Cluck: Yes, we do. We have a quorum and we actually had meetings.

Mr. Pries: I read that in the paper as well. I believe that had a second member attended that meeting, which I wasn't at either, you probably would have been in violation. That is probably why only one individual met.

Mr. Cluck: I understand why it occurred. Frankly, what I was told is it would only be the individual elected officials. I was not informed that full financial staff would be there. That is okay. My objection isn't necessarily to the meeting itself. My objection is the failure to communicate to the public and the other board members what is going on. I think with so much at stake... We are talking about bankruptcy for the capital of Pennsylvania. Everything should be out and in the open. The choices aren't easy. This is very painful, but we can't do it behind closed doors. I understand that if the meeting is informative. I was told that it was to make sure that everybody is on the same plate. There is too much miscommunication. One person says one thing, they hear another thing. The purpose was that everybody should know what everybody knows. That is fine, but then everybody else should know what everybody knows. That's my point.

Mr. Pries: I just want to say that I do agree that the level of communication needs to continue to improve. Like I said at our meeting a week ago, we are less than 200 yards away from City Council and the Mayor's Office and that lack of communication over the prior ten months plus is not a good thing. I believe in my heart that we are taking steps and actions to improve that communication process moving forward.

Mr. Cluck: I look forward to it.

Mr. Haste: Thank you for the information on the budget hearings. That is very helpful. Forensic audit, we have stated numerous times that we favor a forensic audit. It is how it is done. I think there are those that try to use the forensic audit as a stall tactic to keep anything positive from going forward or a solution to come forward. I think there have been those that commented before that we need a forensic audit before we can do anything. I strongly disagree with that. I had even suggested that part of the proceeds if the City ever wanted to come up with a plan to generate revenue, whether it be leasing or selling of assets, a portion of those proceeds could and should be set aside for a forensic audit so that could move forward. You can talk about a forensic audit all you want be it the Authority, City or Council, no one has the money. You are looking for someone else to pay for it. My suggestion is that there is a way to pay for it if the City were to ever develop a plan. Part of that plan ought to include a forensic audit. I think that should happen. We have done whatever we can do by providing information to

those who can take action or take a look at it regardless of a forensic audit. We have been as cooperative as we can to try to make sure there is a solution or answers, I should say, to what has happened. We have always supported that. The difference is we are not going to do it and pay for it. There is another means by which that can be done. On enforcement, I think you know that we are doing everything that we can with enforcement. In fact, we met with your Chairman and you are aware of this prior to the Court ruling and showed him everything, the chairman and executive director. We gave them all the information. Then you sent an email sort of blasting us for not sharing the information when we did share it. The concern was, again, as you well know professional attorneys can muddy up a good solution. There was a need to have an attorney sign off on some of the information, because of the sensitivity and confidentiality of it. If in fact that document had simply been given to us by the Authority they would have had all the hard copies as well. They've seen everything. The Authority Chair and your Executive Director have seen all the information and documentation we have. We talked about this quite a bit. There is no secret. We have certain information that unfortunately we've asked the District Attorney's Office, the State DEP to at least enforce the information that we have. It has gone nowhere. We are as frustrated as you are. So, to insinuate that we are not doing enough I take offensive. In fact, I'll share this. To one of the points, we do have an enforcement person. That person outside of being able to prosecute takes steps every single day to do it. An example of what he did last week. He found a hauler who had three different trucks. He witnessed three different trucks by a particular hauler. He documented it. He kept notes of it. He went to the incinerator to review the log. A truck from that company showed up and it happened not to be any of those three. We know the company is not accurate in the filing of documentation. What he did, because we haven't been able to find a way to enforce with the strength of law enforcement, called the company and said we've documented this. We see this problem. What is your explanation? We have not gotten an explanation yet, but we are gathering that data so that if we ever get the ability to have some sort of law enforcement arm step in, whether it is us or the District Attorney or DEP, whoever. So, we are doing what we can do. I think if you look at it you would agree, there is a huge hole in the law when it comes to being able to enforce Act 101.

Mr. Cluck: You know I don't agree with that.

Mr. Haste: There are a few things that we don't agree on.

Mr. Cluck: That's okay.

Mr. Haste: As far as the meeting goes, I think what has been reported is accurate. There was no new information. Your Authority sent out scenarios, which I think were kicked around at the Authority. None of which were realistic. We talked about the pros and cons of those and shared the same information that we've shared in every single public meeting we have been in. For some reason people thought there was going to be a huge discussion on Act 47 and bankruptcy. That wasn't the purpose of that meeting. The purpose of the meeting was to talk about the incinerator and the issues at

the incinerator. The only conclusion that came out of the meeting, as is the conclusion that slaps everybody in the face, we can't get four votes on City Council to pass anything. That is basically the only conclusion that came out of that. Everybody agreed that there could be solutions moving forward, but if you don't have four votes of City Council you're not getting anything. The members of Council that were there saying they didn't see anything that would get four votes. It was a rehash of everything we have known for the last six months. As frustrating as the meeting was I think it was important for each of us to be there to continue dialogue instead of the 60-second sound bites which is not accurate. It doesn't paint the whole picture. That was the benefit of the meeting to have a cordial sit down and basically rehash everything everybody has already said in its entirety to each other.

Mr. Cluck: I thank you for this discussion. This is important for the public to understand this. I have four quick responses.

On the forensic audit, we are not asking for the County to pay for this. We are asking the County not to object if we have it in our budget, which is actually since you pay for everything anyway.

Mr. Haste: I was going to say in a way you are asking us to pay for it. Actually we are for it as long as there is a solution that doesn't require us to pay for it.

Mr. Cluck: The proposed source of the funds, which has yet to be approved, is we happen to have a balance in the special projects fund that was used to buy the artifacts. Assuming the lawyers sign off that is how we would like to pay for the forensic audit.

Mr. Haste: If that is the case, why wouldn't those funds be used to pay down the debt?

Mr. Cluck: Again, the same legal issue whether or not...

Mr. Haste: My response would be those dollars should be paying down the debt.

Mr. Pries: A question on your first point. What is a projected cost for a forensic audit?

Mr. Cluck: We did a RFP. We got 12 responses and we are trying to figure out how to short list and whether to interview, but we are definitely talking six figures. Many of the firms said that they would do a phased approach, the first phase being identify the issues. Frankly, if you can't recover anything from a 1998 transaction don't look at it. Until they look at it and look at potential causes of action we can't conclude.

Mr. Haste: I have advocated that up to \$1 million of the proceeds of a sale or lease or some source of revenue could and should be sent aside for a forensic audit and any other follow-up and any other court prosecution or whatever needs to be done.

Mr. Cluck: Secondly, on flow control, Commissioner, with all due respect, this Board member was told by the Executive Director and the Chair that they did not see any

documentation. The Executive Director in the meeting was told that they had to sign the confidentiality agreement to see the documents. The Chairman was not at that particular meeting that we are now discussing. This is the first time I have been told that the Chairman and the Executive Director have actually seen the evidence that was compiled by the person that you hired. I'm disappointed if...

Mr. Haste: Maybe I misspoke here. I assumed that the Chairman signed it. I do know at least your Executive Director has seen it. In fact, I saw an email exchanged that explained that to you.

Mr. Cluck: My memory is hazy. My point is the Executive Director was point blank asked and denied seeing. I will investigate. Your attorney should know that Pennsylvania's Act 101 provides for enforcement. If someone violates your County plan you have a right to enforce. You don't have police power to chase a truck down the road or go to a landfill in another county and inspect. If you have evidence of a violation of the plan you do have the right to bring a lawsuit and recover attorney's fees, which we really like, and expert witness fees. We, the Authority, also believe we can do that. So one of our other RFPs is we are also going to seek legal counsel to pursue that.

Lastly, the four scenarios I hope I have heard all of them in some fashion through executive sessions or board meetings. I have never seen it prepared as a single document identifying scenarios.

Mr. Haste: That came from the Board.

Mr. Cluck: I can tell you that the Board did not approve anything to that effect. Not to go public with our dirty laundry, this is a problem. We do not have full complete transparent communication amongst ourselves. I think the taxpayers of the County and City have a right to know everything especially when you are looking at \$282 million. The County is on the hook for an outrageous...

Mr. Haste: You need to express those same concerns to Council and the Controller. The Controller has many meetings that I'm not sure are disclosed.

Mr. Cluck: I do what I can when I have the spare time. I do appreciate your attention today. I hope everybody appreciates the dialogue. I think this is important.

Mr. Haste: It was very civil. It was the first time I think all those entities were at the table in a civil conversation.

Mr. Cluck: It is one-half of it. You have to convince the other half. Welcome aboard.

Mr. Pries: Thank you Mr. Cluck:

Mr. Haste: Is there anybody else that would like to address the Board? (There was none.)

## **DEPARTMENT DIRECTORS/GUESTS**

### **A. Donna L. Kreiser of McNees, Wallace & Nurick**

#### **1. Ordinance #6-2010 – Issuance of a Federally Taxable Bond Anticipation Note**

Ms. Kreiser: You have before you an Ordinance which authorizes the County to issue a Federally Taxable Bond Anticipation Note in the amount of \$34,746,500 to finance or refinance the lease rental debt obligation of the County as it relates to certain outstanding notes of the Authority. This Bond Anticipation Note would pledge the full-faith credit and taxing power of the County. It authorizes the Commissioners to proceed with the execution of a Note Purchase Agreement with PNC Bank, NA; which is the note purchaser and in otherwise authorizes the County to take all action necessary as it relates to the issuance of this Bond Anticipation Note. I should also mention that I circulated this Ordinance among the working group and it reflects all the comments that we have received, including the comments of your financial advisor.

Mr. Haste: Do you want to speak to the other parties that are involved?

Mr. Wenger: Specific to this transaction it is a bank loan with PNC Bank. McNees Wallace has acted as Bond Counsel to the County and is also representing the Bank as Bank Counsel. We don't see that as a conflict given the nature of the transaction. Nothing is being sold publicly. This is being done as a contingent plan in that we are in the first week of November, the City failed to make their deposit on August 15<sup>th</sup>, the County under that loan agreement is required to make a deposit on December 1<sup>st</sup>. In order to comply with our guaranty obligation as the second guarantor, this is our plan to take care of that funding that the City has failed to do to date. It still leaves time for the City to honor its obligation and participate in a refinancing note. We are not obligated to close on this.

Mr. Haste: That was the key that I was trying to get to. This action is being brought about again, because of the inactivity of anyone in City government to put forward a plan. This shows, again, their continued strategy of not doing anything and pushing it off to the County. What this will do is insure that we have to take legal action against another municipality we should be working with. They have an opportunity to correct this. As you said this is not the course that we intend or want to take. It happens to be an action that we have to take so that we are not saddled with the entire \$34 million on December 15<sup>th</sup>. Again, it is my understanding in talking to folks over there that the finance team of the administration, the Mayor herself, is willing to try to put a plan forward to do this. Again, the question is can you get four votes of Council to do anything and it appears that the answer is no.

Mr. Wenger: We had asked them to consider it this week. That appears to not be the case. There is some suggestion that perhaps next week they will at least have a discussion.

Mr. Haste: A discussion at Council.

Mr. Wenger: That is what we have been led to believe.

Mr. Haste: This is another – time is ticking and we'll see if we can get there.

Mr. Pries: I would just like to applaud the members of the media, as well as individuals such as Mr. Cluck and Mr. Grover and others involved in this process. The drumbeat continues on this topic. Unfortunately where we are at this point the communication needs to improve. I first saw what a major issue this was over eight months ago back in Derry Township when we went for an increase in our bond rating from AA+ to AAA. Standard and Poors came in and spoke to us. We are in excellent financial footing in Derry Township thanks to the current Board of Supervisors and prior Boards, including Mr. Memmi who is in the audience right now, with their fiscal responsibility over the years. Even with an \$8 billion trust and the other corporate entities that we have in Derry Township, 30 days later we received a letter telling us that we were not going to be elevated to AAA. There is only one other municipality in the State and that is Lower Merion. The reason was the County's involvement or amount of money that is out there with the incinerator issue. That was my first time seeing it as a local elected official and now sitting here today we are the point where we are, but tough decisions have to be made. I'm hoping that with Jeff's leadership and the improved communication that appears to be taking place and will continue to take place that this issue will have itself resolved in the very near future.

Mr. Haste: What this really does is just takes the existing issue and puts it off two years.

Mr. Wenger: That's correct.

Mr. Haste: The positive is it gives us two years to try to see if anyone in Council can come together with a plan. The downside is just as it was when we set and talked about it a year ago inactivity costs everybody money. What this will do is it will add \$4 million to the bottom line debt. So, instead of \$34 million, two years from now we will be talking about \$38 million. That additional \$4 million can be directly attributed to the inactivity and the failure of the City to put any plan forward. In addition to costing the taxpayers of the City, again their attempt is to push this to the taxpayers of the other 39 municipalities. This has got to stop. I don't know how many times we have to keep saying it. I don't understand why City Council meetings aren't packed with residents of the City asking for a solution. I would rather have a solution here that we don't agree with and we can debate and disagree or talk about, but it is truly frustrating to sit here and try to discuss a plan or solution in a vacuum. That is the way it feels, because I have seen nothing of substance come forward out of City government.

Mr. Pries: Along those lines, the reason I brought up Derry Township specifically. They are one of 40 municipalities in the County, but the other 39 are actively watching this and getting engaged and learning more as the process moves along. It is not fair to them that we are even at this point today.

**It was moved by Mr. Pries and seconded by Mr. Haste that the Board adopt Ordinance #6-2010, captioned as follows:**

**AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA (THE "COUNTY") AUTHORIZING AND DIRECTING THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF FEDERALLY TAXABLE BOND ANTICIPATION NOTE, SERIES OF 2010 (THE "NOTE") IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$34,746,500 OF THE COUNTY AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 Pa.C.S. § 8001 *et seq* (THE "DEBT ACT"), FOR THE PURPOSE OF PROVIDING FUNDS TO (A) FINANCE A REIMBURSEMENT TO THE COUNTY OF A CERTAIN LEASE RENTAL DEBT OBLIGATION OF THE COUNTY PREVIOUSLY INCURRED UNDER AND PURSUANT TO THE ACT, AND (B) PAY THE COST OF ISSUING THE NOTE OR ANY OR ALL OF THE SAME; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF SUCH NOTE AND AUTHORIZING EXECUTION AND AUTHENTICATION THEREOF; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT OF SUCH NOTE; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY FOR SUCH NOTE; SETTING FORTH CERTAIN COVENANTS AND REPRESENTATIONS RELATING TO THE FEDERAL INCOME TAX STATUS OF THE INTEREST TO BE PAID ON SUCH NOTE; APPOINTING BOND COUNSEL FOR THE NOTE; AUTHORIZING APPROPRIATE OFFICERS OF THE COUNTY TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH ISSUANCE OF SUCH NOTE; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HERewith.**

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

**B. Melissa Bradley, Personnel**

**1. Impact of Healthcare Reform Act**

Ms. Wion: As you know it is that time of the year for benefits open enrollment. In front of you are two recommendations for this year's open enrollment. The first recommendation has to do with the Federal Healthcare Bill and whether or not the County should consider maintaining a grandfather status or going non-grandfathered. It is our recommendation that we non-grandfather according to the parameters of the Federal Healthcare Bill. We will not have the flexibility going forward to make certain changes to our plans if we remained grandfathered. There is a dependent reenrollment that is involved with the Federal Healthcare Bill that no matter if we grandfather or not we have to make sure that all employees' dependents that lost status from age 19 to 26 be reenrolled. If we decide to non-grandfather we reenroll all those dependents no matter their status that they currently have. If we decide to non-grandfather preventative visits, co-pays will now be covered by the County, which coincides with our Wellness Program. We want all the employees to be well, to have their preventative visits. By paying those co-pays for the preventative visits, this will encourage

employees to make sure that they get those necessary visits. I can report going out to some of the open enrollment meetings and talking with some of the employees that already having participated with the LifeStyle Returns Program last year, employees are finding out different healthcare concerns and are happy that they had to go and have a preventative visit. Some spouses are being required and going to the doctor and finding out they have some issues that now it is plenty of time to take care of that to be on the healthy track. Already it is having a positive effect on the employees and spouses.

There is a new external and internal appeal process that if we remained grandfathered our appeals process would stay status quo. If we go non-grandfathered more detailed appeals process will be required of us.

Mr. Haste: Which isn't a bad thing.

Ms. Bradley: It's not a bad thing at all. I would recommend that even if we stayed grandfathered that we look into that as well.

Elimination of lifetime maximums, we don't have lifetime maximums right now. So, the County is already ahead of the game where that is concerned. Also, with pre-existing conditions, we don't have pre-existing conditions at this time. So, we are also ahead of the game. Being grandfathered or not doesn't affect us, because we are already ahead of the game in those two incidences.

As well as primary care provider access, we allow our employees to use any provider as their primary care physician. We have no emergency care restrictions either.

With those items, the recommendation as I said before is to non-grandfather to allow us the flexibility to make any changes we see necessary for our plan.

The second recommendation is regarding premium-sharing. It is our recommendation to raise the premium-sharing. We would like to raise the monthly cost. The single cost would be raised to \$18.21. The previous cost was \$16.05. A two-party cost would be raised to \$37.15 instead of the \$32.77. Family cost would be raised to \$50.00 instead of the \$44.88. We would like to have a vote on these two recommendations so we can further continue with open enrollment. Are there any questions?

Mr. Haste: Having gone through the Wellness thing as well, being inspired by Mr. Baratucci, who completed the Wellness way before most of us, as you can tell. My wife is happy that I had to go through those 50+ exams. I have to tell you having done that I now have to take stress management because of getting prepared for those 50+ exams. I guess in the long run they are good. My wife is happy so what do they say a happy wife makes a happy family so maybe you are right things are better. I do think it is having its impact. We can joke about it, but I do think if we can keep, I think statistics show if we can keep our employees healthier and we give them the tools to do it and the incentive to do it, it cuts everything down from sick days to overtime and other incidentals that we see. I think it does make for a better work environment when we

have them here. I want to thank you for pushing that forward. It has been four or five years you have been plodding away and we are finally getting it.

Mr. Pries: When you compare the very minor premium increases to what additionally folks will be getting going into 2011 I think that is a very fair cost analysis that you have provided. Commissioner Hartwick is not here, but as your oversight, he has had an opportunity to get updated on this and review the materials?

Mr. Fisher: Yes.

**It was moved by Mr. Pries and seconded by Mr. Haste that the Board approve that the County go non-grandfathered status with regard to the Federal Healthcare Bill.**

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

**It was moved by Mr. Pries and seconded by Mr. Haste that the Board approve the 2011 Premium-Sharing Rates as follows: \$18.21 per month for Single, \$37.15 per month for Two-Party and \$50.00 per month for Family.**

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

## **SALARY BOARD**

A complete set of Salary Board Meeting Minutes are on file in the Commissioners' Office.

## **PERSONNEL**

Ms. Miller: Do you have any questions on the Personnel Packet?

Mr. Haste: If there are any questions, we will deal with them between now and next week.

## **PURCHASE ORDERS**

Mr. Baratucci: You should have your Purchase Order Packet in front of you. Believe it or not there are no over budgets on this one so there is nothing to take care of between now and next year. I did hand out a quote to fix a couple of our x-ray machines. I got an email this morning from Commissioner Pries. I guess we need to take care of a couple of these issues. My understanding is that it is in the works, because of something that is needed to be done. I would like to get your permission to add those for next week for formal approval. Again, according to Mike, Joe is already working on getting these repaired.

Mr. Pries: That's correct. It is on two units that need to be up and running, including the one at the new location at Children and Youth.

Mr. Baratucci: I will add them to the packet and they will be on for formal approval next week. In the meantime as long as you are okay with that we'll move forward to get the necessary repairs done. We'll approve the Purchase Order Packet next week.

### Transportation Services Bid Update

In addition to that, the second thing under my report today is we did do a bid for transportation services for the juvenile detention center project. We only received one bid. Unfortunately, the bid that we received was determined to be "non-responsive." Basically, although they gave us a price for what we asked for they included an entire page of exceptions and additions and things that were not acceptable and we could not accept it and not approve it the way it was submitted. I believe they were under the impression that it was sort of like a RFP where there is room for negotiations. As I have preached over the years many times there is a big difference between formal bids and RFPs. This was a formal bid and they needed to submit a price and there are no changes to that. Mr. Burford and I have been working on doing a rebid. It is about ready to go out fixing and addressing some of the things that came up as a result of the one that we did receive. We need to take formal action to reject the one bid that we did receive. It was from a company called Youth Transit Authority. Again, I don't have prices to share with you, because what I would share is just not realistic based on the way they submitted it. We want to reject the one bid and authorize to go out and do a rebid after fixing some of the issues. Some were theirs and some were ours. We adjusted a different way to obtain pricing. We had hoped to get a flat per trip cost, but there were too many variables. We are now going to go out for a per mile cost, which should generate some more interest and get a bid that will be acceptable.

Mr. Haste: In the meantime South Mountain is performing under the contract that we have with them on placing children down there, are we utilizing that portion of the contract for the transportation?

Mr. Baratucci: That is my understanding. This should be only two to three weeks.

Mr. Pries: If you could just clarify that one of the reasons that would bring us the annual savings for making this decision was transportation savings costs. The Solicitor provided that information to us. We are certainly hoping that moving forward we do find those types of savings that we were told we were going to get.

Mr. Baratucci: We will know what an estimated yearly cost will be for the transportation based on the number of trips that we expect and that is based on some historical data that Scott has received from our current juvenile people. We will factor that into this.

Mr. Haste: Transportation can either increase or decrease that savings. If we didn't have the transportation costs things would be even greater, because that is based on

the per diem. The transportation costs were factored into the overall savings to come up with that figure. What transportation will do is either increase or decrease that saving, because those costs are going against the overall savings that we are really getting from the per diem rate.

Mr. Pries: I was very attracted to that number. That was something that made my decision a lot easier.

Mr. Haste: Even with the South Mountain deal, so we have close to that. We may be able to improve that based upon these bids.

Mr. Baratucci: Just so you have an idea, the number that was on their bid is roughly around \$150,000. That was a yearly estimate, but again there were way too many variables in their bid so that's not a number that I would rely on. Hopefully with this new bid we will be able to get a firmer number, again based on the estimated trips that we think we are going to have. This also included Commissioner Hartwick's concern about family trips as well. That is included in this number, all different types of trips.

**It was moved by Mr. Pries and seconded by Mr. Haste that the Board reject the only bid received for transportation services submitted by Youth Transit Authority based on the fact that it was non-responsive and that the Purchasing Director be authorized to rebid.**

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

## **TRAINING PACKET**

Mr. Haste: I don't believe there are any items that we need to take up at this time. We'll consider the requests at next week's Legislative Meeting.

## **ITEMS FOR DISCUSSION**

- A. Natural Gas Sales Contract Amendment between Dauphin County and UGI.  
**(\*\*\*A VOTE IS REQUESTED 11/3/10\*\*\*)**

Mr. Haste: I know Scott was working on that.

Mr. Saylor: Probably for the record, what Scott mentioned to me was we were working with our consultant and CenterPoint Energy, they have an office in Hershey, they negotiated rates with UGI for us and they are very good rates and he projects that we will save about \$22,000 a year with this amendment. We are having a lot of success with our energy consultants in negotiating with our utility providers.

Mr. Haste: Actually I have been very pleased with where we are going with this process. I have to give them kudos. They have come in time after time uncovering some things that have been very helpful.

**It was moved by Mr. Pries and seconded by Mr. Haste that the Board approve Item A listed above under Items for Discussion.**

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

Mr. Pries: Anytime we can save money especially in that area it is a positive.

### **SOLICITOR'S REPORT – WILLIAM TULLY**

Mr. Tully: Commissioners, first I would like to basically bring to your attention. I attended the Open Enrollment presentation this morning over in the Courthouse. It was actually well done and was well within the one-hour that was scheduled. I wanted to compliment Faye and her people for putting together a quality presentation.

As far as the Solicitor's Report, there are no changes at this time, but I would be happy to answer any questions you might have. (There was none.)

### **CHIEF CLERK'S REPORT – CHAD SAYLOR**

Mr. Saylor: Commissioners, it should probably be noted, although I don't see any of the staff present. We have been very successful in transferring our Children & Youth employees out to their new office space. There were some bumps along the way, but it was successful. Scott Burford, Fred Lighty, Tom Guenther, Edgar Cohen, Sue Cohick and the folks at Children & Youth, they pulled it off. Now we are in the position that we are ready to begin Phase 2, which is the construction of the juvenile court room. I think hats off to them for their work on that maneuver. That is all I have unless there are questions of me. (There was none.)

### **COMMISSIONERS' COMMENTS**

Mr. Pries: As oversight of Voter Registration and Elections, I just want to say what a tremendous job that Steve Chiavetta, Mary Ann Boyer, their staff and the volunteers that they had throughout the day, including County employees, such as Jena and Kacey that were down there taking phone calls throughout the day from judges of elections and concerned residents. We delivered the 509 machines that were sealed to all 159 precincts and wards throughout the County, including the City. There were very few concerns throughout the day. Any issues that we had with the machines, which were very minor, considering we had 509 of them, the maintenance staff that was available immediately went and fixed those issues and things went rather seamlessly. It was a great day. Again, I have to commend Steve Chiavetta and his staff for the great job that they did. That is one of the biggest things every year that this County undertakes and the amount of feedback from a negative standpoint is almost zero.

Mr. Haste: We had the honor of having two Russian delegates come view our process. It is my understanding that they were hosted by CCAP and the PA Department of State. It is my understanding that they visited a poll in Cumberland County and then wanted to

come and see a busier poll and they went to Susquehanna 2 and spent about an hour there watching our process. It was an honor to be able to host two delegates from Russia to look at our election process and the system that we have.

I too want to thank all the folks that were involved in the Election, including all the judges of elections. If you think about it we have an extremely good, fair and open election system in this country. I think it is superior to any that you see in other countries. It is done and I don't want to call them volunteers, because they do get a stipend, but in many ways they are volunteers. It shows the commitment of our citizens in making sure that our fair and open election process continues. My hat is off to all of those folks as well.

Mr. Pries: Not only that, but they're not just at the polls 13 hours. They are there around 6:00 a.m. and then they stay after the polls close to count the numbers and get them all in. They are there sometimes after 9:00 p.m. at the poll and then they drive the cartridges to a location and it gets on a truck and then all of that gets delivered back to the County. It is a long day for those people. I commend them and thank them on behalf of the Board.

Mr. Haste: We talk about the difficulties that we have, in particular, with the City government. There is a very good thing that is going to occur on Saturday. It has been a cooperative effort by the PA Historical Museum Commission, members of the Commonwealth, City government and City volunteers, the County and County volunteers and that is a tribute to the anniversary of the Review of the Colored Troops. I think many, if you follow history, know that after the Civil War there was a review of the troops in Washington, DC. Unfortunately, the many patriotic colored troops that were involved in both sides of that war were not invited and not welcomed to that ceremony. Again, showing the leadership of this Commonwealth, I think that is part of the reason why we are called the Keystone State, this Commonwealth led the way, in fact this City, Harrisburg, organized and had its own review of the Colored Troops to say thank you to those very brave patriots who sacrificed I think a lot more than most realize on that day. This Saturday there is a reenactment and a tribute to the review of those colored troops occurring in the City of Harrisburg. I would think it would a very good thing for all of us to get the word out and to see something where this community set history and made a notch in history, seconded by no one else in the United States. That will be this Saturday.

## **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. Grover: My name is Neil Grover. I'm an attorney here in the City of Harrisburg. I'm here on behalf of a new taxpayer organization called Debt Watch Harrisburg. I am counsel for them. I am one of the founders of the organization. I want to introduce us as an organization to the Commissioners, because I think we represent a different, but

significant view, on the Harrisburg debt crisis. I think the consensus when we talk to business owners and taxpayers in the City of Harrisburg and those that work in the City of Harrisburg, even if they don't live there, is that Harrisburg, at this moment, is essentially caught in a current of history. The County is being dragged along with it, whether it likes it or not. We are in a current of history. We are at the tipping point of the municipal bond problem. AMBAC, the insurer for the City's General Obligations Bonds have reported, as of yesterday, again, to give notice that they are on the brink of going into bankruptcy. Assured Guaranty, the Bond that you insure for all of these things has just had their credit rating downgraded. These are signs of something very significant that seems to be coming and having going on for awhile in the municipal bond market. Unfortunately, Harrisburg is going to be the crucible where that all gets tested about the bond market in this country. Fate has sort of planted that hand to us.

Our view is clear in the process. Taxpayers' needs, rights and considerations have to be taken into consideration. It is not simply a bondholders' world. The bondholders in this circumstance, from this particular set of arrangements, acted more like stock investors than bond investors. They took on a very high risk deal. No matter what representations they made in the course of doing this loan, there is a very clear reason why they have two guarantors. I think you have one guarantor, because your project and your original borrow is a bad risk. You have two guarantors, because they are a very bad risk. Whatever representations they made about getting the better rate on that deal, you can certainly agree that those conversations occurred, but the business reality of why the people lending the money wanted two guarantors. From our point of view the bondholders, in this circumstance, are as much as part of the situation as the people borrowing the money and building this project. We have interviewed and participated in the Act 47 Hearing. Our purpose is to step into the litigation that is going on in this County, if we have to go to the independent courts and elsewhere. We believe the taxpayers' money, through the litigation process, is being misused and misspent. Frankly, we disagree with the tactics that the County has taken. We understand the idea of creating a pressure point, because of non-responsiveness. I've litigated for 22 years in the civil field. There are reasons you litigate and times you litigate. There was plenty of time under the law to start the litigation that you are in and plenty more time to do it successfully if things don't work out. The pressure points being created is basically from a taxpayers' point of view that the County is charging us fees, one way or the other, to pay its litigation whereas the City is charging us fees, one way or the other, to pay its litigation lawyers. The Authority is charging us fees, one way or the other, to pay its litigation lawyers. It is a bad public policy to watch your local government officials fight amongst each other in a court room. I realize sometimes that has to happen. We have taken the conclusion that we have to step into that fight. Basically, to what we hope is to bring some rationality and conclusion to it. We are attempting to do two things, essentially, to bring competence to the situation where an overall solution is looked at, not pot shots, but an overall comprehensive solution, taking the taxpayers' needs and really the next 30 years of the citizens of Harrisburg and Dauphin County into consideration. Also, to prepare that the responsible thing to do is to prepare for Chapter 9 bankruptcy in the City of Harrisburg. That is the responsible thing to do, because nothing in this particular situation, despite what people wish, really solves the

problem. The City of Harrisburg does not have the power at this time and it will not get it to solve the problem. This County cannot solve the problem, because the disproportion of the debt and the failed enterprise that caused the debt are why we are here. I use the example of DCED that it is as if we had bought a toll bridge and that after the builder went bankrupt it collapsed and we don't have the tolls to pay for the bridge, we can't borrow anymore, because we are borrowed up to our eyes and we are on a road stopping at the edge of a bridge and can't go anywhere. That is economically going to cripple Harrisburg and eventually it is going to cripple Dauphin County.

We believe real and reasonable solutions are available. There is a very big difference between being prepared to go to Chapter 9 and going to Chapter 9. The City of Gardena, California is still on the cusp of that. They hired bankruptcy counsel. They took the steps available under Federal law and they resolved through negotiation with handling the process without ever having to file. You have to be prepared to file, but those are the steps that we think are necessary to get there. I have looked at the funding of DCED for Act 47, \$2.2 million was in their entire fund, as of their Statement on August 31 and \$900,000 was allotted by the State. That has to pay for all coordinators, grants, loans for every municipality that is in, which is 19 already, and all future applicants in the calendar year, including Harrisburg. There is a rule that it has to be equally distributed. That means that there is \$200,000 to \$400,000 total if you are doing it and following the law to contribute towards the Harrisburg process. That is not going to solve anything. It is not going to provide a cash relief to the City. We have to look at realistic numbers, not talk about what they hope will happen. That is what we are going to try to do. You will be hearing from us quite a bit over the next year. We hope to come together with new solutions. I proposed a solution after I was seven weeks at the Harrisburg Authority which was supposed to be a starting point for discussions that went nowhere. I would respectfully disagree with you Mr. Haste that there are not four votes for anything at City Council. That is not the City Council I know. I have been following City Council for a number of years. It can be difficult to get things done, but in response to getting four votes is attainable. We don't believe that the initial sale of assets is the way you solve this problem, because all it does is push it down the road a little further. That is our point of view. If we sell these assets we cut off revenue flows. If I'm advising a client who comes in to go bankrupt, what I would tell them from bankruptcy is that your objective is to reserve your assets not to deplete your assets. That is what the Federal guaranty and the Federal Constitution is, not only to the citizens of this country, but to the municipalities of this country. We're not saying that the sale of assets can't be part of this solution and we recognize that assets, sales tax and increases are there for everybody, but we want to see a comprehensive plan to solve the whole problem in a responsible way, because the next 30 years are at stake for everybody.

I don't mean to digress, but I have two issues, because of the conversation with Mr. Cluck. I will tell you that I was there at the Authority for the very conversation talked about flow control. Flow control is not my thing, but I was there and representation made plainly was that the documents were not provided. The second representation, as a lawyer, I followed that up to what I consider normal investigative technique and

tracked down another person from the meeting, a previous employee of the Authority, and I tracked them down immediately so they couldn't talk to anybody, because I wanted to know what the story was. They confirmed exactly what was said to me by Ms. Torres that Council indicated that the confidentiality agreement must be signed first. What does that mean to me? All that means to me is that there is a communication problem, which I think we all know about what is going on between the Authority, the City and the County. I think it is positive that there was a meeting, because it really is a communications problem that is going on out there and people are assuming one thing and another thing is happening and then they are all mad at you for the wrong reasons. I appreciate what the County is doing in terms of trying to look out for the taxpayers of Dauphin County, but I just remind you that we in Harrisburg that pay real estate taxes or own businesses, my wife is employed in the City, we are County residents too. We want to be heard and considered like everyone else. We want to bring solutions to this problem and we look forward to working with the County to do that and everybody else. We hope in some ways that we can be neutral and help resolve some of these communication problems and bring people to the table that can resolve it. Frankly, I know ways, from my litigation experience, that if we step in there are ways to force people to the table or court rooms, whether it is in the County or the Federal Courts. That should happen. People should be forced into a room to have discussions, because if you wait for them to get around to it, they are never going to get around to it. It is nice that people are volunteering, but discussions have to be compelled and I think there are ways to compel them. We intend to move forward to try to do that. Thank you, Gentlemen.

Mr. Haste: I think that effort is laudable. We have been actually been sitting here waiting for two years for a solution to come about. There hasn't been one. I haven't seen four votes to move something forward that has a solution. You talk about the City residents being part of the County. If you had paid attention to what we've said and read the articles, we have said that time and time and time again. The only guaranty of the inactivity of City government is that the residents and the City will pay dearly. They will pay dearly, because if nothing else gets done and it goes to a Court, a judge can raise their taxes. Their taxes that would be needed to pay their debt would be raised substantially. We are trying to do whatever we can to make sure that doesn't happen. For people to sit here and say that we are not concerned and that we don't think of the City residents as County residents, they are not paying attention, because we have said that all along.

The other thing that we have to be careful of and just yesterday I was out and about, I probably hit numerous municipalities, just opposite of what you are saying, those folks are thanking us for taking the City to Court, because they view that as protecting their interests. Most of those municipalities will sit there and if you talk to municipal leaders, they feel that they are being short changed by the City of Harrisburg, because if they had a similar problem, now granted this problem is much larger than, and I have that problem getting other municipalities to understand the volume of this, but those municipalities sit there and say that if they had this kind of problem, we would look to solve our problem ourselves, not look for a handout. So the perception by the other 39

municipalities and I can't say exclusively, but a majority of the other municipalities is that if they had this problem they would deal with it and they would address it themselves. They don't view the City as trying to address the problem themselves. They view it as them trying to find someone else to solve their problem. To say that most of the folks don't want us to do this, maybe most of the folks in your circle don't want us to do it, but most of the folks in this County, when I talk to them, are actually applauding us and thanking us for forcing the City to the table finally.

Mr. Grove: I guess my argument is that they are not at the table.

Mr. Haste: We have been asking them for two years to come to the table.

Mr. Grove: I don't think we disagree in any way. Perception, I respectfully say of the people that you are talking to out of the County is misinformed.

Mr. Haste: There are those out there who say let the City fail. They deserve it. I spend as much effort trying to convince them that we cannot let the City fail, but to say that the folks don't want us to bring the City to the table by way of order or whatever else, they view that as our only option to get them there, because they watched this for two years, and you say there might be four votes to get something, the perception by everybody else is they have not seen it. The other municipalities are tired and are fearful that the inactivity of the City or the inability of the City to come up with a real solution. They are applauding us for forcing them to the table. I don't know of anybody who likes lawsuits. I don't like them. I wish we didn't have to. We've prided ourselves as a Board of Commissioners of working well with our municipal leaders. We do that everywhere, except here. Our feeling is that we have been the ones trying to help them and somehow there are those in City government and those within the City who like to start trouble want to make us the bad guys. We have tried to be the ones to solve the solution. You can't help someone solve their problem if they are not willing to solve it themselves. The problem with City government right now is you can't get enough of a majority of anyone to bring a solution forward. The minute that happens and I hope you are successful in doing that. I really do applaud you for doing that, because that is difficult territory to get on. If you are able to do that we will have a great day here. I would love to debate you on the pros and cons of a solution.

Mr. Grover: That is what we want.

Mr. Haste: I would like to see a solution first.

Mr. Grover: That discussion isn't happening anywhere. It is happening in rooms that aren't public rooms, but there are different benefits and costs and pros and cons to each of the possibilities. I would be happy to have that solution to get people to the table to do. As taxpayers we are hoping that a judge will listen to us and say that we have the right to bring people to the table. We are ultimately paying this bill.

Mr. Haste: The only reason I like a judge, to be honest with you, is if something is resolved and it is done by a Court Order at least there is someone that can enforce it, because we have a contract with the City that has been just laughed at by those parties and they have means to abide by the contract. Maybe they don't have the ability nor do they have, in my mind, the heart to try to find the solution. It is easier to have someone buy them out than it is to dig down and deep to solve the problem. We faced that when we got here. We were in very similar, but nowhere near the same magnitude, position when we came into office. We wrestled with it and dealt with it.

Mr. Grover: Are you talking about the Forum Place?

Mr. Haste: I'm talking about the entire County finances. When I first took office sitting here and I have to give it to Marie Rebeck and some others who were here talking about this before, when I first sat in this chair the County was going to be out of money, much like the City, they were going to be out of money in late October of that year. They could not make payroll. We didn't sit here and ask anybody to bail us out. We found a solution ourselves. It was difficult. We made some very difficult decisions. Because we got ourselves in a good financial situation, the feeling is at times that the City feels that the County is in a good situation they can bail us out. I am willing to help anybody out who is willing to help themselves. There needs to be that first positive step, not just talk, not just roadblocks, not just excuses, there needs to be a real solution put on the table that doesn't say oh County take over our problems. Because we don't have that, we have been asked by our municipalities to take the City to court to make that happen.

Mr. Grover: The County is going to pay money on this.

Mr. Haste: Sure, we already have. We are the only ones that have so far.

Mr. Grover: That is only from sources of fate at the moment that you guys actually have cash flow. The City has two different problems, which I'm sure you know. Their internal operating budget issues are completely different from the Incinerator issue.

Mr. Haste: Absolutely.

Mr. Grover: Because of the timing of the two, that internal operating problem would be fixable without the Incinerator problem. The two of them together, it just becomes this incredibly difficult thing to even hiring enough staff to address the day-to-day needs administratively in the City. Our view is to move the City to the point where it is prosperous, not just where it is treading water. We believe that is doable. There are hard choices that have to be made. We are going to be pushing for hard choices. It is going to be hard on everybody. It is going to be hard on us.

Mr. Haste: Delay only makes the bottom line greater. We talked about it two years ago when we sat here and tried to get them to do something when the Incinerator debt was gone. They were losing \$1 million a month. We set here and talked about how that

was adding to the debt. Today we had to take action that does nothing but add to the bottom line. Inactivity causes us money. Every roadblock, every study, every whatever does nothing but add to the bottom line. It is way beyond time of doing studies. It is time to actually come up with a solution and we can do it. We've said all along that a forensic audit ought to be done. If no one can fund it then we ought to put a plan together that helps fund it. We can go down to parallel paths. We can eventually look at that and we can find out the reasons it got us to this point and if we can take action criminally we should take action. That should be parallel with finding a solution.

Mr. Grover: We agree on that. We don't believe a forensic audit has to happen before anything else happens. That's just not the way it works.

Mr. Haste: Prior to you getting involved there have been others that have taken that stance. That has delayed the problem.

Mr. Grover: I keep having those discussions.

Mr. Haste: I applaud what you are doing. I hope it is successful. I hope you also understand our level of frustration. We have been at this for two years getting nowhere. Our residents, the other 206,000 residents in this County, have been asking us to push the City to a solution. Again, even though from your perspective it may look like people don't want us to do it. No one wants a lawsuit, but people want the City to finally come up with a solution. The other 39 municipalities, it does not take long to spend much time in those municipalities and it is the number one issue that they bring up everywhere I go, when will you make the City become responsible.

Mr. Grover: I know you have constituents to answer to and taxpayers to answer to.

Mr. Haste: You have people talking about their mismanagement of the sewer and water authority and what that is doing in other municipalities. It is just on and on and on.

Mr. Grover: These are all problems that are long time coming. There are a lot of people that share the responsibility for that.

Mr. Haste: Neil, I don't want you to ever think that we view the residents, taxpayers of this City any different than the other municipalities. We have sat here and you have heard me say today that for the life of me I don't understand why taxpayers, we've raised these red flags and I don't know why the taxpayers of the City aren't at City Council meetings demanding a solution.

Mr. Grover: This is where I'd say we are and have been. We want it to be a responsible one not a band-aid.

Mr. Haste: Exactly. When James Ellison was Chairman of the Authority, he wanted to come in here with let's do this and this. We kept saying and of course the throwback at us was you wouldn't let us do this and this, it was because it wasn't an overall solution.

There needs to be a comprehensive solution. We have been asking for that for two years. We put out ideas that have gone on deaf ears. We've sent letters to every member of Council. We sent certified letters. We've gotten no responses from anyone.

Mr. Grover: At the Act 47 Hearing I testified to a strategy, which I can share with you because we testified to it.

Mr. Haste: I don't get Channel 20 where I live, but I did go somewhere else and watch it.

Mr. Grover: Taking back that Authority project, all parts of it, just the Resource Recovery Facility, just taking that back, it gives you the ability to negotiate with vendors. It's something that we should move everyone beyond. Right now if you were going to negotiate for an Assurity there is no reason to come to the table because you have three guarantors.

Mr. Haste: I have not been happy with them either. I have had heated discussions with them as well.

Mr. Grover: If you are going to change the position, you have to change the chairs at the table. That changed the chairs at the table in a significant way, because now that entire debt, or at least half of it, becomes dischargeable in Federal bankruptcy court. Business understands that. They understand right now if they discharge the City of everything, every dime, this comes out of ratepayers instead of taxpayers. They understand that. So until you change your leverage you can't improve your negotiation position. The organization is going to push that we advocate that we change that negotiation position, because that is in the best interest of every taxpayer in Dauphin County and beyond, even in Central Pennsylvania. Two more points as I appreciate your time. One is, do not even look at Act 47 earned income tax increases for people who don't live in Harrisburg, but work in Harrisburg is one of the two only real solutions; so that the people that are going to take the hit is much larger than the 47,000 residents that live in the City of Harrisburg.

Mr. Haste: Right. It will affect the whole county.

Mr. Grover: It will affect the whole county. It is a very significant difference. It is also a formula for the death of the City. Because one business after another will end and it will just dry up the City.

Mr. Haste: True.

Mr. Grover: That will hurt the County, that will hurt the City and that's a long road to follow. That is what we are trying to prevent. We're not just talking about trying to defend the City and the citizens of Harrisburg, but also the people who work here and come here and are part of our community on every working day. That's the one point.

The other is that we look forward to working with everybody in this. When I tell you that there is a perception, just as you are telling the perception coming outside of the City, the perception in the City is that the County has written this off as citizens and taxpayers. So I understand how you can make those statements, but I'm telling you that is the perception. I think it is solvable. I think there are comprehensive solutions out there, but they have to be done intelligently and collectively. All of our governments should be aligning to make it happen. That's what has to happen. They have to align to make it happen.

Mr. Haste: In my humble opinion the stumbling block right now is Council.

Mr. Grover: I respectfully disagree.

Mr. Haste: Right. I understand. I haven't seen anything yet. I hope you are able to accomplish what you want to because then I do think we will have a solution that can move forward.

Mr. Grover: One of the solutions to start out is to lease or sell the garage systems up front. That's the wrong solution. We have looked at it very comprehensively. It's not a viable concept.

Mr. Haste: At least that is an idea. I have said many, many times over, come together with a solution. My frustration is that everyone criticizes what we have said, but there has not been one legitimate solution brought forward. The Controller brought one that basically said County take over our problems and let it go on. That is not a realistic solution at all. Short of that there has been nothing, in two years, brought forward. Our frustration is that we hear all this so bring something forward, bring a solution forward. If there is a majority of Council that agrees on it, bring us a solution. I'd love to debate the pros and cons of a solution. There is a total lack in debating that right now.

Mr. Grover: I agree. Part of that is frankly because it's complicated stuff.

Mr. Haste: It is, but it isn't that complicated. If you or I were running the business and you were my counsel and I was the CEO of the business and I'd been in business entities before it's not that difficult. There are only so many finance sources of revenue. You know what the debt is. You can sit at the table and come up with a solution. It will be a tough decision, not openly complicated, but a very tough decision.

Mr. Grover: There are going to be very tough decisions and that's why I think the governments need to be aligned more so we are staying together. All government officials rise with this. When this is solved everybody looks good because it was solved on your watch. If it fails it's bad for everybody because it has failed on your watch.

Mr. Pries: Can I make a few comments?

Mr. Haste: Sure.

Mr. Pries: First of all I commend you on the amount of research and your amount of knowledge on this subject. It is very impressive. I agree with a lot of the things you said. I have to ask you a question. I have reached out to the Mayor when I first came into office. I reached out to each member of City Council. Where is, and you've been to City Council meetings, you've testified before them, you've spoken to them, you've asked them questions, but where is the plan from the majority of City Council for us to agree on? Where is the plan from the current administration for us to agree or not agree on? I have asked and I have seen nothing. We are going back and forth here. I think we agree on more than we disagree on, but until we get a plan from inside coming out where we can then participate this still hasn't been our issue to solve to date. It is a very simple thing for them to do. Have a majority of City Council agree to something and we will either participate with that or disagree with it. We are getting nothing from them. Here you are spinning your tires spending all this time, all your resources, all your personal efforts and Mr. Cluck and others and the City is not producing.

Mr. Grover: I know why they aren't producing. It's a long history of why they're not producing.

Mr. Pries: Listen, I'm not here to go over history anymore.

Mr. Grover: I gotcha.

Mr. Pries: I've been on board for 2 months now. My job is, as one of the three Commissioners', to work towards the future and find a solution.

Mr. Haste: Right. We all know the history. We don't need to hear it.

Mr. Pries: Rehashing that we can sit here and talk about that for 12 hours a day for the next 6 months. Where are the solutions? City Council, four, five or six of you, bring us a solution that we can participate in. Administration, bring us a solution. Here we are talking about this, not necessarily disagreeing with anything from my perspective from what you've said or from what our Chairman said, but until they come forth with a plan....here we are two years into the negotiations that he has or hasn't had with different teams that have been assembled and here you are today discussing these same concerns. That is a shame. It's embarrassing.

Mr. Grover: That's where we're at. My view is, frankly, that's why we're here. None of us who are involved with this step up because it's what we do for a living, it's because we see nothing happening. Eventually what they care about is better business. Here we are having to basically step out of that role and step into a role that is a whole lot more than we ever wanted to own.

Mr. Pries: I share your concern.

Mr. Grover: So we appreciate your time today and you'll be hearing from us along the way. If there is something that the Commissioners' have that they think is a solid solution, we would be willing to look at anything that has real solutions for everybody.

Mr. Pries: Just remember as the Chairman has said numerous times, this isn't just about the City. We have over a quarter of a million residents in the county that we have to look out for.

Mr. Grover: I understand.

Mr. Pries: Not just the City, which of course is a member of the County.

Mr. Grover: We hope that they participate in this too, frankly, because they have voices to be heard.

Mr. Pries and Mr. Haste: Thank you for your comments.

Mr. Haste: Anyone else that would like to address the Board?

(There was none.)

### **ADJOURNMENT**

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

Respectfully submitted,

Chad Saylor, Chief Clerk

Transcribed by: Richie-Ann Martz