DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

NOVEMBER 19, 2008
10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Chad Saylor, Chief Clerk; Janis Creason, Treasurer; J. Scott Burford, Deputy Chief Clerk; William Tully, Esq., Solicitor; Randy Baratucci, Director of Purchasing; Kay Lengle, Personnel; Dave Schreiber, Personnel; Steve Suknaic, Director of Juvenile Probation; Jeff Patton, Juvenile Probation; Mike Yohe, Director of Budget & Finance; Greg Schneider, Budget & Finance; Carolyn Thompson, Court Administrator; Melissa Wion, Personnel; Steve Farina, Prothonotary; Stephanie Strayer, Human Services Director's Office; Hope Rohde, Children & Youth; Angela Palmer, Children & Youth; Aurora Rathfon, Children & Youth; Vicki Stoner, Children & Youth; Yaivette Roberts, Children & Youth; Peggy Morehead, Children & Youth; Rochelle Scott, Children & Youth; Hansley Scott, Children & Youth; Carter Scott, Children & Youth; Jennifer Horn, Children & Youth; Nicole Jones, Children & Youth; Rachel Shupp, Children & Youth; Stephanie Corl, Children & Youth; Currin Haines, Children & Youth; Lindsey Miller, Children & Youth; Jaime Lukert, Children & Youth; Jess Keiter, Children & Youth; Denise Weaver, Children & Youth; Valerie Laughlin, Children & Youth; Debbie Thomas, Children & Youth; Jessica Weaver, Children & Youth; Lauren Harris, Children & Youth; Laura Simcoe, Children & Youth; Joe Dougher, Children & Youth; Sheila Britt, Domestic Relations; Sandy Pintarch, Children & Youth; Merle Foust, Human Services Director's Office; Diane McNaughton, Commissioners' Office; Amy Richards, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Brenda Hoffer, Commissioners' Office and Richie-Ann Martz, Assistant Chief Clerk

GUESTS PRESENT

Garry Lenton, Tom Smida, Esq., Charles B. Zwally, Esq., Victoria & Gene Clark, Jr., Ellen Caldwell Brown, Wendall Murray, Allen Loomis, Jr. and Dave Wuenschel

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:00 a.m.

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have two sets of Meeting Minutes that will be taken up at next week's meeting.

ELECTION BOARD MEETING

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

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. Proclamation – National Adoption Month

Mr. Hartwick: Good morning everyone! It gives me great pleasure today to be able to work along with my colleagues to recognize National Adoption Month here in Dauphin County. I heard last week at a conference for trying to assist in regulating and trying to move kids from the situation they are in into dependency. What constitutes a home? It is when a kid doesn't have to knock before he enters. It's the idea that you have a place to go and to be able to walk into what you know is your home. These kids that are here in Dauphin County and throughout the Commonwealth are in a situation where they deserve permanency. I know as a father the amount of effort to be consistent in trying to be able to raise a kid let alone a kid who has met with more emotional and social trauma than all of us combined in a lifetime. That shouldn't happen to a kid. The kids deserve a whole lot better. I believe we have 100 kids or more that are currently awaiting permanency and there is no better gift than to be able to offer permanency for kids who are currently looking for that opportunity. We have a lot of young kids in the audience. I know I feel like the Army most mornings. I think I do more before 6:00 a.m. than most people do all day to get the kids to the babysitter and schools. The individuals who have stepped up to be foster parents and adoptive parents in this County, you may not read in the newspaper everyday, but they are the ones who are our heroes. They are the ones who offer those opportunities to kids who otherwise would not have them. Resiliency is one thing, that is great, but we can't rely on resiliency to keep kids out of the criminal justice system. We can't rely on resiliency to keep kids from not understanding that there is something out there besides what they see outside of their doorstep. They need individuals who are involved in their life on a permanent basis.

For all those adoptive and foster parents that are in the crowd today you are all heroes.

(Applause was given.)

Mr. Hartwick: Today gives us an opportunity to highlight that knowing that those issues do in fact exist.

Mr. Hartwick read the following Proclamation.

Office of County Commissioner
Dauphin County, Pennsylvania

Proclamation

We, *the Dauphin County Board of Commissioners, are delighted to join communities across the nation in commemorating the month of November as National Adoption Month and in raising awareness about adoption, honoring adoptive families and sharing the heart-warming stories of children who are still longing for a loving, permanent home;*

Whereas, *every child deserves a warm, nurturing and permanent family, but sadly, many abused and abandoned children in the county's care have never known one;*

Whereas, *the majority of Dauphin County children in agency custody are adopted by their foster parents, and 49 children have been adopted within the past year;*

Whereas, *more than 100 children are currently free for adoption and 25 are awaiting a safe, stable home and a "forever family" to love them faithfully and unconditionally;*

Whereas, *these children, hailing from many different backgrounds, often have special needs because of physical, mental or emotional disabilities; they may be older or wish to be placed with siblings;*

Whereas, *these children need extra patience and support to help them overcome past hardships and heartaches, but the county is working diligently to find them stable homes;*

Whereas, *adoption is a commitment to love unconditionally a child who has never known such unselfish, uninterrupted love;*

Therefore, *we are truly grateful for the remarkable families who have opened their hearts and homes to less fortunate children, and in recognition of their around-the-clock efforts and the many children still desperately aching for a home, we salute their inspiring level of commitment and do hereby join organizations across America in proudly proclaiming November 2008 to be "Adopt a Child Month" in Dauphin County.*

Mr. Hartwick: I would like to recognize a couple of the workers here and then call on my fellow Commissioners for comment. We have many members of our Children & Youth staff. We welcome you all to diligently participate in the public process by hanging over and seeing the rest of the business. Today, I would like to recognize from our Children & Youth Agency: Joe Dougher, Jessica Keiter, Lauren Harris, Jessica Weaver, Yaivette Roberts, Denise Weaver, Jen Horn, Lindsey Miller, Currin Haines, Laura Simcoe, Rachel Shupp, Stephanie Corl, Nicole Jones, Jaime Lukert, Debbie Thomas, Val Laughlin, Angela Palmer, Aurora Rathfon, Sandy Pintarch, Hope Rodhe, Vicki Stoner, Peggy Morehead, Rochelle Scott, Hansley Scott, Naomi Bates and the rest of you who are unmentioned certainly are not unrecognized by your efforts. We sincerely appreciate your efforts on behalf of our children in Dauphin County.

Mr. DiFrancesco: I want to take the opportunity to thank you all that are here today. Again, the special place that you have in this community, there are many kids in our community who unfortunately face at a very young age all kinds of challenges, whether the parents are still around, not around for whatever degree they find themselves either not wanted or not being treated very well. The bottom line is that life is special with great opportunity ahead of it. Without all of you in this room that choose to be foster parents and those people out there who have yet not realized that they are intended to be foster parents, we are hoping that they line up and make themselves known today. You are the ones that give these kids hope. You are the ones who look at a child that has possibly a lot of challenges or possibly very few challenges in their lives, but you are the ones that look at them and say yesterday really doesn't matter it is about tomorrow. You give them the opportunity to have that. It is always a pleasure to share this Proclamation each and every year. It is always a pleasure to say thank you to those who are in foster care and to say thank you once again to those that serve on our staff that facilitate this entire process. We are also grateful and thank those that are out there in the community that have not risen up, but will maybe tomorrow. Thank you all very much for coming out today to share this experience.

Mr. Haste: We recognized the staff and some of the other folks, but I think we ought to also recognize those in the community that help our adoptive program move forward. One of the ones that come to mind is Valerie Pritchett and what she has been able to do to highlight the efforts. The last time I talked with her she has great pride in knowing that she has been able to touch lives. I think that is one of the things that you are able to do in addition to just getting a paycheck. Oftentimes you have the ability to affect and touch lives for many years to come and that has to be rewarding. I know just personally having worked with two couples over the last few years trying to adopt, one a very difficult adoption and one a fairly easy adoption. There are a lot of ups and downs through this process. It is especially nice to see all the young children out here. I know everybody tries to quiet them. It is like in church. I think they are actually allowed to make noise and that is what makes each meeting a little more interesting. I liked coaching the little kids, because they would tell you anything. There is nothing more honest than having a youngster tell you what they think is going on. It is great to see the young children here. I want to thank each and every one of you who touched their lives and their families' lives, because not only is it a great thing for the child, but many times it is a blessing to that family as well. Thank you very much.

(Pictures were taken.)

B. Tom Smida, Esq. and Charles B. Zwally, Esq., of Mette, Evans & Woodside

1. Renewal Guarantee of the 2003 D Bonds

Mr. Smida: As you recall back in 2003 the County agreed to guarantee a portion of the Bonds that were issued for the Retrofit project at the Incinerator. The guaranteed Bonds for the County were the Series D and Series E Bonds, which collectively were in the neighborhood of about $115 million. A portion of the Series D Bonds that are labeled the Series D-1 Bonds are in the principal amount of $31,480,000 were issued with a five year term. They were issued December 1 so December 1, 2008 will be the 5th anniversary of that. To be able to continue those Bonds they have to be remarketed. The Authority has now found a successful purchaser of those Bonds. It will be Wells Fargo. The Bonds will be remarketed and issued on a two-year term so that on December 1, 2010 they will once again have to be remarketed. The interest rate that will be paid by the Authority on those Bonds will go from 4% to 6.75%. It has a two-year term. As a condition to Wells Fargo purchasing those Bonds, they are asking for the reaffirmation of the County's guarantee with respect to these Bonds. We prepared a Remarketing Certificate, which in essence certifies that you are the existing Board of the County Commissioners and at all times that the County has been validly existing and organized under the laws of the Commonwealth and that there has been no change in the Ordinance authorizing the guarantee. All of the requirements that are State law for the execution and issuance of the guarantee have been followed. There is no litigation challenging the authority of the County to execute and deliver the guarantee or the remarketing of the D-1 Bonds and that additional waste combustion processing disposal agreement between the County and the Authority is still in effect. With that said I would be happy to answer any questions, but we do require a motion and a vote to approve the Remarketing Certificate.

Mr. Haste: This is a two-year issue?

Mr. Smida: These Bonds will be outstanding for two years. So, on December 1, 2010 once again they will have to be remarketed into what interest rate we certainly don't know. It is a two-year term.

Mr. Haste: Even the market, we are lucky that Wells Fargo is… They are coming on as a stronger player of late.

Mr. Smida: They also bought Wachovia so they can use some of their losses. There was an initial interest from RBC, however, we were told that in light of the depression in the value of the Canadian dollar they were unable to step up to the plate. They did find Wells Fargo and they are interested.

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board approve the Remarketing Certificate of the County of Dauphin for the Guaranteed Resource Recovery Facility Revenue Bonds, Series D-1 of 2003; motion carried.

C. Ellen Caldwell Brown

1. City's Susquecentennial Celebration

Ms. Brown: Thank you for having me here today. I am here today to talk to you about the City's 150^{th} Anniversary Celebration. I'm Ellen Brown and I'm the Executive Director of the City of Harrisburg's Susquecentennial Commission. With me is Julie McKenzie and she is a consultant to the Commission and works with Carnegie Mellon University. Behind Julie is Wendell Murray and he is CEO of Barrack, Inc. They are heavily vested in our Susquecentennial celebration. A sesquicentennial is in Webster's is the 150^{th} anniversary celebration. We thought we would be cute and celebrate the Susquecentennial, because obviously the Susquehanna River is the genesis of Harrisburg and the County and region. The Commission was created by the Mayor to develop, promote and fund the celebration of the City's 150^{th} Anniversary. The activities surrounding the events will showcase history that made Harrisburg the city it is today and it will also be forward looking as well. We have developed two major projects that I know the Commissioners and the County will be interested in learning more about. The first is the Living Legacy Series. It is going to be a collection of 150 video oral histories. We are going to solicit nominations from the public-at-large asking to suggest to us people who have stories to tell about history in the Harrisburg region. A Board of Advisors will help select the folks nominated. That Board represents the community at-large. These oral histories will be fed into groundbreaking technology that is being provided to us by Carnegie Mellon University. These oral histories will be stood up on the Internet for anyone to access. The search capabilities are phenomenal. You can search by topic, dates and name. It takes you directly to that section of the interview. Only one time before in the history of the world, if you will, has this technology been utilized and it was for a massive African-American oral history project in Chicago called the History Makers. Our project is going to be different from that, because we intend to stand all of these interviews up on-line so they can actually be used as teaching tools in the classroom and it is a model for the future of education, because all the schools have to have broadband now. They don't have to update their textbooks, but they have to have broadband. This is really going to be the future of teaching and the future of education. We are really excited about it. I assume that there is a barber from Steelton that has some stories to tell and a National American Legion President who has some stories to tell. Boy wouldn't we love to remember Russ Sheaffer.

Mr. Haste: I was just going to say that it is a shame we haven't been doing this. Over the last year some of the great stories we have lost.

Ms. Brown: It's true. Julie and I went to visit LeRoy Zimmerman last week and we stood at the window of his office and pointed to where the peanut house was and then he pointed to the Courthouse and then behind him to where the AG's Office was. Over the span of a remarkable life and a very powerful man we could watch within a four block area how his life was shaped, from running up and down the steps to be Chairman of the Hershey Trust and the first elected Attorney General. It is time to begin appreciating what folks have done in the past to enable us to be where we are today. We are going to be incorporating history along with groundbreaking technological advancements. I think it is going to be a significant and remarkable undertaking for everyone.

Mr. Hartwick: How is this being funded? The reason why I think about this, one of the things that the Area Agency on Aging is always looking for is inter-generational opportunities to be able to understand history and to translate that to the next generation. Maybe after today we can have a friendly discussion about how this particular project is being funded and whether or not we could assist you in participating.

Ms. Brown: I would love to have that conversation.

Mr. Haste: I was just sitting here thinking I wouldn't be surprised if somehow that doesn't come up.

Ms. Brown: Money does make the world go round. I am pleased to tell you, although I will not steal the Mayor's thunder, we are going to be holding a press conference in the not too distant future to announce that a major well-known corporation in the area is going to contribute over $500,000 to fund this technology portion of our project. That is very exciting particularly given today's climate. Beyond the Living Legacies project that we are going to hold, we are also going to hold Genealogy Workshops to encourage people to study their own family histories. We are going to have Family Reunion Month similar to old home week, which they used to have back in Harrisburg and Steelton, as well in the early 1900s. We are going to hold some Futures Forums to showcase this technology and other ways that Harrisburg, the County and the region can be involved in helping to shape the future of our State and Nation. There will be lots of educational programs that are incorporated as well.

The second very substantial part of the Celebration is going to be the creation of 150 murals throughout the City, from downtown as you can see a visual rendering of what we hope to do to an example from a mural that is very well-known, it is part of the Arts

Program in Philadelphia. Wendell Murray who is with me today and his organization, Barrack, Inc., in conjunction with Jump Street and the Harrisburg School District are going to work to locate buildings and create a lot of opportunities to really begin reestablishing some ownership, some pride and some beautification of the City neighborhoods. We hope to have more historic renderings downtown and then as we get into neighborhoods and sections of the City we are going to have more specific cultural and community-related murals. This again will be a massive undertaking, but we think it is one that is going to really create a great deal of pride and it will also create tourism. In Philadelphia there are bus tours that are established every week so people can go around and look at these murals. We think it will be a very substantial project that the entire community will get involved in and embrace.

In addition to the murals and the Living Legacies series, we are going to unveil the archives. We are going to have a Founder's Day Celebration in conjunction with the Historical Society of Dauphin County. I have already spoken to those folks and in June of 2010 we are going to recognize all 150 of our living legacies and that will be on the riverfront across from the John Harris Mansion and a weekend long celebration for the public is being planned. I'm working with Kathryn McCorkle in that regards right now. We are also going to encourage other organizations to have events and workshops to help make this a very special celebration.

Mr. Haste: What is the timeframe? The summer of 2010?

Ms. Brown: The City's anniversary is 2010. We are going to launch the project next month and then we are going to…

Mr. Haste: These activities are all going to be targeted for 2010?

Ms. Brown: Yes.

Mr. Haste: Is there a timeframe that you are targeting a couple months, the summer?

Ms. Brown: It will culminate in the summer of 2010, but over the next two years we will begin unveiling certain elements of the Celebration so that people get excited and want to participate. That will culminate with the Founder's Day and the Reunion Months.

Mr. Haste: With Wildwood Park now being a County Park, at one point in time that was a huge zoo and park and I was trying to think how we could involve that in the process.

Ms. Brown: I would be more than happy to discuss that with you. We would really welcome… The City is the genesis of the region, but everything, it is like the hub of a wheel and we all function together and we are very anxious to incorporate as many ideas as possible into this Celebration. That is the end of my show. I have a handout for you all. DID is going to put up banners to celebrate this. Anything that you would like to incorporate into this project we would be happy to do it. It is incumbent upon me to find the funds to do it. It will be both through soliciting private donors, as well as public grants. Wendell is here to answer any questions you may have about the mural project, because that is going to involve the school children. It is going to involve neighborhoods and literally anybody who wants to be involved and help get a dialogue started to begin moving forward. Thank you.

Mr. Hartwick: Let's schedule a follow-up meeting and talk about that. I would like to suggest some themes for you to consider.

D. Allen Loomis, Jr. and Dave Wuenschel of Benecon

1. **Selection of the Medical & Pharmacy Carrier**
2. **Healthcare Funding Model Options**

Mr. Loomis: My name is Al Loomis for the record. I'm with Benecon. With me is Dave Wuenschel also from Benecon. A few months back you engaged us to do some work for you and we are here today to report on that project.

Specifically we were asked to look at three things for you. One was to identify potential carriers out there who would be interested in working with you to administer your health claims next year, because the County has determined that it wants to go from a fully insured way of financing its health benefits to a self-funded platform. So, part of what we did for you were identifying carriers who would do what we call an ASO arrangement for you, an Administrative Services Only. I just want to give you a quick overview.

The second thing that you asked us to do is to take a look at your drug utilization and to try to get behind the scenes to get some numbers that really hadn't been available to you particularly in areas of drug rebates. That is the second thing that we looked at. We were asked to make some recommendations and how you ought to go forward with those kinds of arrangements.

Lastly, we were charged with looking at how to finance the risk of high dollar claims in the future for you. We have essentially looked at that in two ways. One to do a completely stand alone and buy what we call stop-loss coverage. The second way that we focused in on was doing it through the Pennsylvania County Health Insurance Purchasing Cooperative and becoming a part of that group and showing you how that might work. I'll turn it over to Dave and he is going to walk through what the results were on this.

Mr. Wuenschel: Good morning! The very first page, after the cover page, I identified the carriers that submitted the RFP. First we submitted an RFP and reviewed it with the Committee in-house here as far as capturing the data that we wanted to capture from the RFP. The medical RFP did go to Highmark BlueShield, which is the current incumbent carrier, Capital BlueCross, Aetna and HealthAmerica, which were identified by the group as carriers that we wanted to approach in Harrisburg and the vicinity from an administrative standpoint.

In addition, we submitted a separate RFP for the pharmaceutical benefit managers, which is what PBM stands for. They basically manage and provide drug access to drug coverage on a self-funded stand alone basis. We also went to Highmark BlueShield, which is the current incumbent, Capital BlueCross and in that case Capital has an arrangement with Express Scripts. We did actually submit an RFP directly to Express Scripts, but they had to decline because of the relationship with Capital BlueCross. Aetna, Benecard and Caremark were ones that actually responded. There were a few additional ones that we sent, but we never received any type of information back.

The next page identifies the criteria. Both RFPs, obviously network was a primary issue as it relates to the access of providers within the immediate area and surrounding areas. The ability to be able to replicate the current plan design, because of the union contracts. We did put in a requirement that we don't want advanced deposits, meaning that under a self-funded plan typically the administrator might request that you have some money on hand at their end for processing claims. Actually all respondents indicated that they really do not need an advanced deposit based on the size. At the time, we also wanted to make sure that if we were to select a different PBM, other than the medical carrier that they did have the ability to integrate. We had in there the reporting requirements and their stop loss notification. Very important was the wellness, case management and disease management. If I go self-funded obviously I'm paying my claims and in those cases we would want all the tools to help identify and control claim costs for the County. Specific to the RX PBM, again we were looking for discounts and administrative fees and I know in the very onset of this whole process there was a big question as far as drug rebates. Are we getting all of them? What is that analysis? In addition, there is a good part of both RFPs that address the employer/employee access to tools, communication and all of that type of thing.

We went through the process and based on all of the returns, both HealthAmerica and Aetna, in several different areas of the RFP, really were not able to meet up to the expectation that we set forth. Highmark and Capital was really in essence the final two administrators. It really kind of boiled down to price; the whole rebate issue that was discussed, disruption also comes into play in all of this. One, Highmark did provide over a three-year period of time the lowest overall pricing from an administrative service only basis. They actually did create one special exception if you want 100% of the rebates passed back to us and we went through that whole process internally here as far as if that is our best direction or would we be better taking their guarantee credit. We did look at both of those aspects in great detail. As far as the comparison of their entire web base and all that, Highmark really still proved to have a well-seasoned program that has been in place for years. That was a key component moving forward. All providers were really given the ability to submit their best pricing, their best attributes at the RFP. Capital BlueCross was just slighter higher on the ASO pricing. We never were really able to get to the bottom of rebates in their particular situation; whether or not they were using rebates to offset any of the admin. As it was indicated to us in some cases where they were actually offsetting paid claims by rebates and in further analysis looking at their data we were able to obtain from Highmark a 12 month data set of your prescription drug, which was sent to all the PBMs. We requested that they reprice the first quarter of 2008, which everybody did. They sent back to us their re-pricing. They had to produce their pricing and then we analyzed it once it was received. In the case of Capital BlueCross their analysis and re-pricing of your first quarter data for 2008 presented an overall cost of about $43,000 more than what Highmark's was. When you analyze that out it represented about $172,000 differential. With that information, as far as the two finalists, on the next page it was narrowed down.

The final recommendation was to go ahead and accept the proposal from Highmark BlueShield as far as their administrative service only, which is currently your incumbent administrator. They did provide us with a standard rebate credit. The reason behind that was simply that they had alluded that your individual rebates were just slightly higher than their book of business, which this credit is based on. The issue there was simply two-fold. One, rebates are generally driven by the latest drug that came on the market. Generally speaking sometimes that can be a more costly drug than some other alternatives that have been on the market for some time. The goal really is to look at the most cost effective drugs by therapeutic classification; and have our employees utilize those drugs. We will actually enter into a campaign this year to make them aware of those drugs and have them actually work through the process with their physician or pharmacist to see if they can take the more cost effective drugs; which will have a big impact to our bottom line from a cost standpoint. In doing so that will reduce the amount of rebates, because rebates are just like anything else you buy it is a coupon to get you to buy the product that has just come out on the market. The other compelling thing was the rebate, we would have to wait almost a year or past the first year to see even any rebates from the first year. So, there is a lag of money that would be coming back to us and it was never certain how much money that would be. In an analysis, we determine that to get really what their current credit is on an ongoing monthly basis right from the beginning; it would require us to almost have our rebates 25% more than their book of business, which we felt was pretty much unlikely.

Mr. Hartwick: Quite frankly sending the wrong message.

Mr. Wuenschel: So, the decision was to (A) to take their credit, which represents $9.25 per employee per month which comes off the administrative costs; (B) when you look at the administrative costs we had a choice of flat fee or to do a split. The split was simply where I lowered my flat fee and then I also paid a percentage of my paid claims. If the notion is to try to reduce my paid claims as much as possible it made all the sense in the world to take that type of an approach and it gives us the opportunity to save on the administrative costs; even though the administrative costs are a very small percentage of the big picture. Still, every little penny helps in this day and age. The final sheet of this section I laid out what the current enrollment that we used for the financing or the risk portion of 1,376 contracts, you can see in essence that the bottom line for 2009 the administrative costs would be coming in with Highmark in the neighborhood of $465,850.54.

Mr. Loomis: Over a three-year period that is about $400,000 lower than anybody else.

Mr. Hartwick: It is well below where we came in.

Mr. Wuenschel: I would like to open it up for any questions that you might have on the process.

Mr. Hartwick: Just working along with you on the process it has been a pleasure being able to exchange information in an open way and understanding and receiving the data, particularly on the prescription drug side, that is going to allow us to enter into a successful campaign. The future jobs in our Personnel Department depend on it. To ensure that we are actually coming up with a successful strategy, we discussed it in budget hearings yesterday and agreed to do whatever we need to in order to try to control the costs to see a significant reduction in the overall expenses. Knowing that we are self-funded is a big step from where we first came when we took over this Board. The former Board entered into a retro-refund arrangement where they paid up to 90% of their healthcare and they utilized over 110% of the healthcare. This credit card idea that somehow we reduced our liability, because this year’s budget it looks better and three years there was a multi-million dollar call due plus the new rating that the County had was based on our actual utilization not based on that retro refund agreement. The insurance companies allowed the business to lose money, we had to pay upfront and now we have an idea of what our utilization is. We have a real understanding of some good methodology to get to our employees to try to control the utilization on both the healthcare and the prescription drug side. The message is to the folks in County government every time you go to the doctors, every time you go to get prescription drugs while that benefit is something that is important in government, sometimes with lower salaries and you need those good benefits to retain a good workforce it costs County taxpayers’ dollars. It is not like it is a free ride. It costs money. With a self-funded arrangement we have the responsibility to communicate that message to our employees and allow them to start to think in terms of hey I’m a taxpayer, we don’t want healthcare costs to go up. We want to do whatever we can to control these costs and start to take a look at generic drugs, those formularies, the ones that were actually not the latest and greatest drug to allow us to continue to control costs as we move forward. I think this has been laid out in a clear way for us to actually not talk about it, but analyze it and develop some successful strategies around controlling those costs. It is a big step, a huge transition over the last four and a half years. Maybe this self-funded arrangement is something I want to give credit to our staff, personnel, Scott Burford, Mike Yohe who sat in on many of the meetings with us. In the first year our folks are going to be asked to set up a number of processes in order to make sure this works. The work is just beginning in order to make sure that the cost savings that we are going to realize in going with the self-funded arrangement is going to be something that we continue to realize. There is no change in the way our employees are able to go and receive services. You guys did an excellent job. You came below our target, which was surprising.

Mr. Wuenschel: Thank you. I think you are right. The process of moving forward is really identifying those areas of opportunity where without sacrificing quality of care they are able to get more cost effective drugs. It is informing and communicating is the key.

Mr. Hartwick: It is like shopping and buying the best deal that is going to provide the best return and the employees need to start to think on those terms.

Mr. Wuenschel: That was the easy part. I don't know if at this point in time we want to make a finalization of the actual ASO Administrator.

Mr. Saylor: Why don't we keep going through the proposal?

Mr. Wuenschel: The next area is really the risk analysis. This originally got started by exploring the Pennsylvania County Health Co-op. Just for the record, the Pennsylvania Health Purchasing Co-op which started October 2005 with three counties is now up to 12 counties representing in excess of 3,000 plus employees. There is an additional three or four counties that are coming on board over the next couple months. This is a program that has really taken off and is continuing to grow.

Self-Funding alone versus Cooperative, I condensed it into a few key points that I think everybody needs to be aware of. Typically the self-funded basis, when you are engaging with a stop loss carrier you actually wind up purchasing or you have the ability to purchase two separate contracts. One contract is referred to as a specific deductible or specific stop loss contract. That is designed to cover any claim that goes over the actual deductible selected by the employer. There is also a contract called the aggregate contract. That contract is actually designed to cover anything that would exceed your maximum liability for those deductibles or that amount that falls below your specific deductible. That is what an aggregate contract is designed to do. On a stand-alone basis in the industry the stop loss carriers basically set that maximum liability at about 125% of what they think is going to happen in the upcoming year. That is how they set your maximum claim liability in any given year. The one problem that exists in the stand-alone basis is because of the volatility of claims of your higher type claims and the reality that in the industry and market they are given to the lowest possible premium for the risk that they are taking on there is a phenomenon out there called lasering. Lasering is in essence very simple. It is basically moving out in time I will only cover what I do know and I have no interest in covering what I don't know. That is the practice of the stop loss market as an industry. Lasering in essence happens whenever you are coming in or in your second and subsequent years, they will evaluate risks and claims that are ongoing and they will determine whether or not they will take on that liability. If they decide they do not want to take on that liability they will create at renewal a laser on that one patient or multiple patients depending on how many are ongoing throughout the course of the year.

Mr. Hartwick: Let's say we have someone who has an end stage renal cost $480,000 for this treatment of one individual. Next year in the stop loss coverage they can say you got to pick up that guy fully, you have to pay for his entire amount of healthcare because we don't cover him. We realize that risk going in that will be your responsibility, we give you the stop loss coverage for everybody else except him and then a self-funded arrangement you need to pick up 100% of that individual's liability.

Mr. Wuenschel: That is exactly what that means.

There is another phenomenon out there called late discovery. That really in essence is when a claim happens after they have taken on the risk and they question whether or not you knew about that.

The issue with the stand-alone is it does give you more flexibility in setting how much risk you want to take on. The volatility, what we find is simple, there are certain thresholds, depending on the size of the group, where from zero to and I'll use an example, in our case with the County Co-op, we sort of set your group at a $90,000 threshold. The predictability of claims from 0 to $90,000 on a group of your population is very predictable year-in and year-out. Actually the fluctuation is as little as 10%. The issue is north of that number the volatility is as much as 50%. If I get above $150,000 it is right off the map. One of the problems that we are dealing with, we are dealing in a society right now where healthcare costs are largely being driven by that volatile part of the equation. Medical technology has gotten to the point where you are seeing larger and larger claims. Unfortunately we are seeing, of those large claims, a higher frequency. I spoke with our in-house actuary this morning. He recently came from the National Actuarial Association and the fact of the matter he said was that the frequency of million dollar claims is up 40%. What that tells us is that medical technology, as great as it is, comes at a price tag. As a matter of fact yesterday I was going through some drug data and I came across one pill $6,200. We probably never thought that we would ever see even medications at that kind of a cost. We just had a group where they had a premature baby, which is $1,000,000. Again, I think the volatility is out there and that is really in essence what we have to address.

The other thing that we looked at, which really we had originally started with when we initially engaged with Dauphin County was the Pennsylvania County Health Purchasing Co-op. I had a couple points that I wanted to point out on how we created this program. First of all, we created this program because the intent was to create a group purchasing entity that really banded together to create, for intents purposes, our own insurance company. The County Co-op is designed to control all the margins, trends and the profits. I will tell you the bigger this Co-op gets the more risk we keep in-house. We will become really our own insurance company. The bigger it gets the less I actually have to layer off to an outside vendor to be quite honest with you. When we do create those environments if we do use a vendor it is a partnership arrangement where in essence they are basically it is a long term arrangement. We are able to really kind of set the overall perimeters. A simple fact is in the very first year of the County Co-op we were able to give the counties money back and they actually lost money to the tune of 140%. The point is the bigger we get this the less we have to layer off. The other key things that we put in there were all of the pitfalls that exist on a stand-alone basis. We do not permit lasering in the subsequent renewal years. We will permit lasering in the first year coming in. For subsequent renewal years we will not permit lasering. We do not permit late discovery. We actually are able to take your claim fund, the first year it is at 120% and subsequent years it is at 115%. We are able to scale down your worst case scenario.

There are two new things that we will cover in a second within the Co-op where I can show you how we are self-funding the two ends; i.e. the specific deductible where how we fund them in the Co-op and also if someone reaches their maximum claim liability in a year how we are actually self-funding that.

Claim lag and Claim runout just so everyone understands how it works. In the pricing that we got back there is an element in this that plays out which provided a much better pricing on Highmark compared to some of the other carriers. When we first saw that our actuary department did investigate with Highmark as to why there was this discrepancy and they basically told us why. All of our Co-ops that do use Highmark I will tell you that they have gotten very proficient at actually getting paid. When they send us a bill first of all they want the bill paid within 48 hours and we are finding that as soon as the claim happens within a month or so we are getting the bill. That is called claim lag. In other words, when it actually occurs and by the time you actually get the bill and we pay it out of your claim fund or you pay it to the carrier that is referred to as claim lag. Highmark in their estimation used, a month is 8% so we actually use 9% through our actuarial department. It is just a little bit more than a month. Highmark is reviewing at two months which is at 18%. That is where the number difference that you would see if the three carriers that actually did provide final numbers. That is where you are going to see a discrepancy.

Mr. Hartwick: We would still have that same lag. Would that 12 month period then run through February for the other providers?

Mr. Wuenschel: No, the way it works is it is January to December, but when I'm fully insured and coming off a fully insured plan any claims incurred up to December 31st are the responsibility of Highmark without any further premiums paid.

Mr. Hartwick: Ten months versus 12 months and all the other carriers do it for 12 months.

Mr. Wuenschel: They use 11 months.

Mr. Loomis: That is where the difference in the pricing came from in terms of what they set your claim exposure for next year versus what the other carriers were setting it at. If they are right…

Mr. Haste: That is where you can get a false number the first year.

Mr. Loomis: Exactly.

Mr. Haste: I shouldn't say false, it is an accurate number, but it is lower than the norm.

Mr. Loomis: In the end it is going to be what it is. Who is right here we are not sure. If you go with one of the other options like the higher number and Highmark's number turns out to be correct you still have that money in the bank. This is money that you are setting aside to pay claims. This is not money that is going to the insurance company. This is how much they want you to set aside to pay your claims. Highmark is saying that it is like $13.5 million and the other groups were coming in at $15.4 million.

Mr. Haste: It is whatever it is.

Mr. Loomis: In the second year it is going to be whatever it is.

Mr. Wuenschel: If I take the ten months it really winds up really being 11 months well then I went through my maximum liability and they are going to readjust that next year to true it up. It is pay me now or pay me later. You go into a self-funded posture for a long term funding arrangement. It is not a one year type arrangement. This is a long term funding process that you actually evolve into.

Runout is very simply the opposite of lag. I have been self-funding for some time and for whatever reason the decision of the County is to get out of a self-funded posture then I am responsible for the claims that were incurred up to the date that I left and that will runout generally over the same time period. This was a demonstration so that you understood what you were looking at from a numbers standpoint.

The specific stop loss deductible risk management, an overall analysis, there are three different options. I can go with no stop loss coverage.

Mr. Haste: Which would be, you keep referring to this as self-funding. This is a hybrid.

Mr. Wuenschel: It is a hybrid. Employers that have 20,000 employees and up do not buy any coverage at all, because they have enough money to really cover.

Mr. Haste: I was wondering if we were large enough to do that. That is where I was wrestling with this.

Mr. Wuenschel: I'll be honest with you I know of no public entity or private entity of your size that would actually go out and do that without, in today's environment. The problem is I could have multiple hits in one year. We look at it this way. Your health insurance is a line item budget along with everything else that the County pays, so for that to actually blow up and be a 30, 40 or 50% adjustment in a year because you had a blow up year. I could have the money aside and go ahead and pay it. The difficulty is that we don't have a crystal ball. We have no idea what that blow up could look like. When you look at your past three years those we refer to as great years, because you have not had a claim even over $300,000. I can isolate for you even just in the Co-op's history we had a $780,000 claim for a large valve transplant. We had an end stage renal two years in a row at $400,000 to $500,000 per year. We had a motorcyclist hit a deer just recently. It came in last month at $660,000. Again, you don't know when it is going to happen.

Mr. DiFrancesco: How much would we have saved over the past three years with those three good years?

Mr. Wuenschel: With the three good years if you were to compare to what for example what Highmark had presented, I actually have that in the next page. If you don't mind I'll finish on this. On a stand-alone basis actuarially we looked at coming out of the gate it would make sense to target it at about $150,000 of liability on any one claim, on a stand-alone basis. Understand something that the higher I go in the deductible, the break I get in premium is not proportional. So every time I go up higher that really gives the carrier a higher probability of a profit, because I'm not using it.

Mr. Haste: You can adjust that based upon trends, right? That 90 could be three years 110.

Mr. Wuenschel: We started with a certain threshold. The way it is balanced is the smallest entity has the lowest and the largest entity has the highest specific deductible. It is done like that just to balance within the whole program, because you have various size counties. We have already adjusted it last year a click up of about $10,000 per entity as far as the deductible. As this thing grows I envision that it will go higher and higher as we analyze what is the best threshold to use. The key with the Co-op is simply I want to layer off the unpredictable stuff and we layer it off into the Co-op. The difference between the Co-op versus stand-alone as it deals with this particular topic is that the Co-op really is owned and controlled by the counties. The bigger I get the more money I can keep in-house the more control you have as an owner of the Co-op as far as how you want this thing structured. You eventually down the road will pretty much be truly self-funded, because it is going to be county money. It is not going to be money that is going out to a third party entity.

Mr. Haste: On a shock claim that gets lasered in one year, does that stay lasered forever? Does the second year, because some of those claims go multiple years and sometimes they fall off after a year, how is that? If a claim is lasered how is that treated the second year?

Mr. Wuenschel: If the claim goes away for whatever reason, the person gets well, or leaves employment or passes away, then obviously the laser would go away. They will keep lasering it if it is still hanging out there on a stand-alone basis.

Mr. Haste: If I have an employee who has a heart transplant, shock gets lasered and the second year, they are higher than normal because of meds or therapy, but it is not a shock claim, does that still carry out as a laser claim or does it come back into the mix? Does it ever come back into the mix?

Mr. Loomis: Assuming the costs come back down to a more reasonable level, they would either reduce the laser or they could take it off.

Mr. Haste: Do they do that on their own or is that an argument that we have to make? I assume once they laser it they are going to laser it and think we forgot about it.

Mr. Wuenschel: You won't forget about it. A lot of times it requires the organization working on your behalf or yourselves would actually probably address.

Mr. Loomis: In fact, any laser that pops up ought to be negotiated as much as possible.

Mr. Wuenschel: We had one just recently on a private sector employer where the patient had leukemia, but they were in remission. They were in remission for a year and they still came back with a $250,000 laser, because their feeling was well it could crop up like that. They are in remission it is not cured. There was an argument where reducing that laser made all the sense in the world, because they hadn't had treatment for a 12 month period of time.

Mr. Hartwick: Even with that person is lasered and then the next year they go into remission the liability on the County won't be great because the expenditure of the healthcare won't be that great.

Mr. Wuenschel: Exactly. They are taking the gamble off their table and pushing it on yours. Your ongoing cancers, end stage renal and all of those things are pretty much generally every year laser type things. That is one of the things that we did. How do you in the County Co-op get away from lasering? The simple fact is that actuarially the reinsurer is looking at the County Co-op as one big global group.

Mr. Haste: Plus you have that cushion in-between the payment of the claim. You have that cushion built in there.

Mr. Wuenschel: To address the question that Commissioner DiFrancesco had, the Highmark stop loss number for $150,000 was in the neighborhood of $560,000. You can see in 2006 for claims over $150,000 represented $264,000. That is almost a little bit north of a split of 50/50 on what you would have paid on premium and what you would have gotten back on any claims that went over $150,000. Your highest claim was $300,000 so we are not even talking, in our opinion, of a true shock claim. If you had a $700,000 claim in there now it is a whole different picture.

Mr. DiFrancesco: Can we stop talking about that now and talk about over the last two years how much would we have saved because obviously the law of average is going to play out. You are going to have good and bad years and in the end it will net zero.

Mr. Wuenschel: In 2006 it is roughly a little bit more than $250,000, 2007 it is like $300,000 so you are roughly at $500,000.

Mr. Loomis: About one year's premium over the two years.

Mr. DiFrancesco: So, over the past two years had we completely self-insured we would have saved $500,000?

Mr. Wuenschel: You had very good stop loss experience over the two year period.

Mr. DiFrancesco: I realize that, which we will have for many years.

Mr. Hartwick: We hope.

Mr. DiFrancesco: We will. The law of average is going to play out. You say we don't have a crystal ball, but we do, in that we can look at our experience over time and see what is going to happen. I'm not saying two years is enough time to look at, because I don't want to see a trend that goes to our last bad year too.

Mr. Hartwick: There is a shock claim right now that we discussed in budget hearings. It is horrible.

Mr. Haste: It's not here yet.

Mr. Wuenschel: You have one lasered at $400,000 already coming in.

We took up to July 2008 and just projected it forward. Understand that is a projection, but you will see we are on track, we are actually probably if it stays on track we are at least at $305,000 and it would have been over $150,000. 2008 runs are not as good as 2006 and 2007. 2007 was a very good year. It was a great year. I would suspect that 2006 was more of an average. We had $743,000, what this illustrates is claims that were over $90,000 and you will see in essence in 2007 we were at $480,000 was the difference between $90,000 and $150,000 in 2007. If you look at 2007 the difference between $90,000 and $150,000 was in the neighborhood of $300,000. We are actually on track right now at the difference between $90,000 and $150,000 at $625,000. We are heading actually into a bad cycle if you look at 2008 compared to the prior two years. The bottom line is this. Nationally out of seven years you are going to have five good ones and two bad ones.

Mr. Haste: I get where Nick is going. Are the two enough to offset the savings in the five?

Mr. Wuenschel: Not necessarily.

Mr. DiFrancesco: Insurance companies are very conservatively run. Insurance companies are never going to take a loss. They are going to have actuarial studies that are going to put them in the high ground that says in the worst year they are still going to make out. They are covering their losses. What I'm saying and I look at it simply this way. Do we have the financial wherewithal to run those trends, because if we do and we do not buy stop loss insurance we are going to come out financially better off? The question is do we have the wherewithal to get through those financial down cycles, because the good cycles are going to offset that? It is all the law of averages. There are factors that go into it and I can sit here and think of a bunch of factors that are going to change the marketplace over the next couple of years in both directions. Every nickel is meaningful then we have to live with the option to say if we can weather a $1.5 million bad year and save $400,000 over the next couple years we come out further ahead. The third party is out of the play and we have the financial wherewithal to weather it.

Mr. Wuenschel: I fully understand that and I think that is really the cornerstone of why we developed the County Co-op.

Mr. DiFrancesco: Because that is what you are striving to get to.

Mr. Wuenschel: That was the cornerstone of the whole process. The process was simply to take the funding of your health plans and put it into you guys' control.

Mr. Hartwick: In a tight budget year when we are taking a look at making some very difficult choices in budgeting what this allows is sometimes in government, if I was in a private business I would probably want to go the route that you are and the reason that I would in the long run you may make out better. The problem is for budgeting purposes and going forward you may have a year where it may be $3 million in a tight budget year to be able to address without it leveraging that risk long term.

Mr. Haste: You have the discipline to escrow that.

Mr. DiFrancesco: You have to understand that we are basically becoming an insurance company.

Mr. Haste: Even if this Board is not here and we do that and the next Board comes in at that point in time they can decide to buy stop loss too.

Mr. DiFrancesco: We have to build our own…

Mr. Haste: I understand both sides. I'm not sure where I am yet. Hypothetically, if we go with this plan and we go in the pool but instead of buying… Do you have to buy stop loss in the pool? What if we self-insured stop loss? If we self-insured stop loss how would you handle a shock claim, because you have that cushion built in now before it goes to your stop loss carrier, would that same cushion apply if we were in the pool? Would it be pool, cushion and then instead of a stop loss carrier it would come back to us?

Mr. Loomis: No.

Mr. Haste: So, if you join the pool you have to have a stop loss insurance?

Mr. Loomis: The stop loss point is a protection below that self-funded layer. It wouldn't be fair to the other members to allow somebody to just go directly into that without having a stop loss.

Mr. Haste: Why couldn't we handle it the same way instead of submitting that claim to a carrier you are submitting back to the County? We become the carrier.

Mr. Loomis: We would have to fund a premium to help fund that layer.

Mr. Haste: What if that made less than the stop loss insurance?

Mr. Loomis: In the aggregate I guess it would be, yes. We would have to give that some consideration whether that could work. The County Co-op board would have to approve any change like that.

Mr. Wuenschel: We will respectfully come back to you with an answer to your question. I think the only concern that we have is simply yes the national average is honestly five good ones and two bad ones. I have actually seen some very bad ones. The difficulty is when does the bad one happen? If it happens on the backside of my seven years.

Mr. Haste: Because of the situation we are in. We are in a situation where we could fund that now so we don't have to start at the end. You are advancing it and you have a point to deal with.

Mr. Wuenschel: I think respectfully we will get you an answer on that question.

Mr. Haste: By nature I don't like insurance companies. They don't do anything that you couldn't do on your own if you had discipline.

Mr. Hartwick: And money.

Mr. Haste: And time. To me that situation…

Mr. Hartwick: If you have the time, money and discipline you can make it work and I agree.

Mr. Haste: Which of those three don't we have right now?

Mr. Hartwick: The time.

Mr. Haste: Sure we do. We have one of the bad ones in our pocket too now. I'm not saying that's where I'm going.

Mr. Wuenschel: I concur with you as far as the industry.

Mr. Haste: Mike Yohe may convince me to go otherwise.

Mr. Wuenschel: Our mission has always been to take a profit and put it in your pockets and not the carrier. That is the whole cooperative theme is all about that. Everything you said as far as do we have the money, the time and all those things are a yes. My concern is do you have the size, because the volatility is the issue. The bigger I am the more I spread that volatility across.

Mr. DiFrancesco: The size is going to be fine by statistics and past experience. On past experience yes we do.

Mr. Wuenschel: I think there are ways that you can achieve that goal that you are after without having any budget volatiles.

Mr. DiFrancesco: To save $500,000 a bunch of volatiles are worthwhile.

Mr. Wuenschel: It may be a higher magnitude.

Mr. DiFrancesco: Again, next year could be the bad year and someone may come back and say what the heck did you do that for and again you have to have the stomach, yes we have the time, money and discipline, you also have to have the stomach. You have to be able to take that bad year in order to gain the benefit of the good years.

Mr. Loomis: It is risk management.

Mr. DiFrancesco: All we are doing is basically self-insuring. We are becoming our own insurance company.

Mr. Loomis: If you do stand-alone with the Highmark proposal that we have here you are looking at spending $560,000 to cap off your liability for claims at $14,127,000. You are looking at putting on the table $560,000 to cap off your liability at $13,566,000. You know exactly what your worst case scenario is and it is going to cost you to buy that protection $560,000. If you went to the pool arrangement, it is going to cost you $1.1 million, part of which goes into that deductible and you would cap your liability off at $13,716,000.

Mr. Haste: I understand it all.

Mr. Hartwick: I just want the folks in the audience to understand that if this Board of Commissioners isn't here and you outlast us like most folks in County government will, you need to remember this conversation that we are having, because the next time some friend of one of the commissioners comes here and makes an insurance deal and they don't have this open dialogue and conversation about this liability and unfold everything that we are discussing here today I want you to hold them accountable.

Mr. Haste: Can we go in the past too?

Mr. Hartwick: No, just for the future. I agree. I think fully funding it and thinking about it is probably the most responsible way.

Mr. Haste: We are not self-insuring.

Mr. Hartwick: What happens after that?

Mr. Haste: It is still our worry. We could do this and save money and the next Board could come in and totally undo this and go right back to being fully insured because they will feel more comfortable with it.

Mr. Saylor: Dave, you are going to explore the Haste option and come back to us with some more details on that?

Mr. Wuenschel: Yes, I will.

Mr. Saylor: Is there more that you need to go over?

Mr. Wuenschel: The initiatives that were identified in the work that we did were addressed on the medical side and the Rx side as far as initiatives that we can do to control claim costs.

Mr. Saylor: As I understand it, we may not know exactly where we are going to end up on all issues before us, but if we are going to walk down the self-funded road we need direction from the Board to go back to Highmark and ask them for a contract.

Mr. Wuenschel: Yes.

Mr. Saylor: We can always come back and resolve the stop loss issue, once we have more information. You can give the direction now or we can put something on the agenda for next week, but the sooner the better so we can go to Highmark and start nailing down the ASO.

Mr. Haste: Why don’t you get the ASO? Can we get the ASO as quick as next week?

Mr. Wuenschel: I would think so.

Mr. Haste: Let’s get it and put it on the agenda.

Mr. Saylor: That’s the direction we needed.

Mr. Wuenschel: We will be back to you prior to next week as far as to answer your question.

Mr. Loomis: If you do elect to go self-funded the prudent thing to do is to take that $500,000 and put it aside.

Mr. Haste: Right.

Mr. DiFrancesco: That is the discipline.

Mr. Haste: At least that amount. You might be able to get a cushion in there.

Mr. Loomis: If you continue to have good years you are going to build up that surplus.

Mr. Wuenschel: That is what we will approach from the cooperative standpoint is simply that if one wants to take the full liability then actuarially we will assess to you what you probably should set aside.

Mr. Haste: Sure.

Mr. Wuenschel: If you are able to do that through the cooperative then you are able to actually pull it out of the actual general fund basically allocated for that specific purpose.

Mr. DiFrancesco: Because of the conversation that took place for the Chief Clerk and the Budget Director to make some sort of notes or reference in the minutes so that when the next board comes along they fully understand how this system works and they don't just look at it and say oh by the way we had two bad years out of seven back to back and now they are making a judgment call based on two bad years. You paid the price now sit back and take the good years. There has to be some historical reference to how this program will work. Also, when we start to set aside money for the self-funding that someone doesn't look at it one day and say oh lets spend that. The future boards are going to have to be briefed.

Mr. Saylor: We will wait to hear back from you.

PERSONNEL

Mr. Haste: We have both Salary Board and Personnel Packets. Do we have to vote on any of them?

Ms. Lengle: None. There are two Addendums.

Mr. Hartwick: The only question I have is the hiring window.

Ms. Lengle: This is it.

Mr. Hartwick: This is the last one for the year.

PURCHASE ORDERS

Mr. Baratucci: In addition to the Packet that you have there what I just gave you is the final result of a bunch of meetings on furniture for the Upper Dauphin Human Services Center. There are five requisitions there and they will be in next week's packet for approval. We just didn't have them prepared in enough time to have them on this week's Workshop. I wanted to give them to you so you that you knew that they would be included in next week's packet. They need approval in order to get the items ordered and hopefully here by January 1. In addition, we will fix a couple of over budgets. Do you have any questions on the Packet? (There was none.)

TRAINING PACKET

Mr. Haste: We have an item on the Packet that has already occurred. I'll have to find out how that happened.

Mr. Hartwick: I'll let you know. That is #5.

Mr. Haste: No, #1, #5, #7, #8, #9…

Mr. Hartwick: #5 is something that occurred last year that they missed. They made me aware of it. I signed it and that it will not occur again.

Mr. Saylor: Obviously we did not have a meeting last week so that caused some issues, but we do need to approve Items #1, #5, #7, #8, #9, #10 and #11.

> **It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board approve Items #1, #5, #7, #8, #9, #10 and #11 of the Training Packet; motion carried.**

ITEMS FOR DISCUSSION

A. Resolution #20-2008 – designating an Open-Records Officer for the new Right-to-Know Law. **(***A VOTE IS REQUESTED 11/19/08***)**

B. Refund of 2006 and 2007 Real Estate Taxes – Hershey Foods Corporation – Parcel #24-029-034 and #24-029-040 - $48,036.34.

Mr. Haste: I see we have Item A. Is there a reason why we have to do that this week?

Mr. Tully: Before he changes his mind.

> **It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board adopt Resolution #20-2008, designating J. Scott Burford as the Open Records Officer for the new Right-to-Know Law; motion carried.**

SOLICITOR'S REPORT

Mr. Tully: All the documents on the report should be ready for action next week at the Legislative Meeting. I would be happy to answer any questions. (There was none.)

CHIEF CLERK'S REPORT

Mr. Saylor: I have nothing unless there are any questions of me. (There was none.)

COMMISSIONERS' COMMENTS

(There was none.)

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? (There was none.)

ADJOURNMENT

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

Respectfully submitted,

Chad Saylor, Chief Clerk

Transcribed by: Richie-Ann Martz