



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

DECEMBER 3, 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; Marie E. Rebuck, Controller; Janis Creason, Treasurer; J. Scott Burford, Deputy Chief Clerk; William Tully, Esq., Solicitor; Randy Baratucci, Director of Purchasing; Kay Lengle, Personnel; August Memmi, Community & Economic Development; Melissa Wion, Personnel; Greg Schneider, Budget & Finance; Steve Shaver, Director of EMA; Kelly Wolf, Manager of Solid Waste; Dave Schreiber, Personnel; Diane McNaughton, Commissioners' Office; Amy Richards, Commissioners' Office; Faye Fisher, Director of Personnel; Leila Brown, Solicitor's Office; Ken Rapp, Chief Public Defender; Carolyn Thompson, Court Administrator; Tom Wasco, Director of Veterans Affairs; Dominick DeRose, Warden; Chris Fisher, EMA; Mike Pries, Director of Safety & Security; Steve Libhart, District Attorney's Office; Brenda Hoffer, Commissioners' Office; and Richie-Ann Martz, Assistant Chief Clerk

GUESTS PRESENT

C. Peter Carlucci, Garry Lenton, Don Konkle, Charles B. Zwally, Esq., Jay Wenger, James Ellison, Scott Wagner, Steve Hours, Jim Pianka, Dan Saultier, Tom Murray, William Flannery, Fox 43, WHP and WGAL

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 three sets of meeting minutes that will be taken up at next week's meeting.

PUBLIC PARTICIPATION

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

Mr. Wagner: I'm Scott Wagner, President of Penn Waste. We are a waste hauling and collection company based in York. I'm here this morning; obviously on your agenda next you are going to have some discussion to vote on the proposed rate increase at the Harrisburg Incinerator. We received notice yesterday. I guess, probably, maybe the ball is rolling down the road pretty fast right now, but I have a few comments.

We haul in South Central Pennsylvania. We use the York and Lancaster Resource Recovery Facilities and currently the rate at the York County Resource Recovery is \$56 per ton. At the Lancaster Resource Recovery Facility the rate is \$68 per ton. I don't understand all the politics and dynamics and finances that are in the background of the Harrisburg facility, but what I have been told is the debt exceeds \$300 million or some large number. When the York Incinerator was built approximately 18 years ago it was built for a cost of about \$130 million. The Lancaster facility was built in the neighborhood of that same cost of \$120 to \$130 million range. The Lancaster Solid Waste Authority operates a transfer station, operates a landfill and a resource recovery facility and has a very large extensive program for their county residents. Actually it is probably I would say the best run Authority in the nation. It is a premier facility. They operate and perform all these services for \$68 per ton.

The proposed increase taking the rate from approximately \$65 per ton to around \$169 per ton, which is a little over \$100 per ton increase. Actually it will put Harrisburg on the map again. They will have the highest tipping fee in the nation. I have friends throughout the country, up in the Northeast I am aware of rates in the \$80 to \$90 range it would be more Boston or New York City rates. That would involve disposal transferring and trucking. This disposal rate is going to be the top rate in the nation. We currently service three townships in Dauphin County. We service Susquehanna Township, Lower Swatara Township and Middletown Borough. In Susquehanna and

Lower Swatara it is our responsibility to perform the billing. There are a couple issues. One, our billing went out this past week. It hit the streets for December 1. So, we already billed for the January/February/March quarter. In Susquehanna Township we service about 7,500 residents. Our delinquency rate is about 10%. We have approximately 700 residents. Susquehanna Township is our largest township with receivables. I actually had a meeting with our law firm on Monday morning to discuss approaching townships to lien properties in order to enhance our collection efforts. We are receiving bankruptcy notices right and left. Under this scenario if this rate increase were to go through Penn Waste is responsible. We would have to pay the Authority no matter what if there are bankruptcies on the other end we are out. The delinquency rate is off the charts right now with the economy. This is probably the worst time for this to go through for your residents. You have a lot of people on fixed incomes. We hear all the stories. We get hate mail, all kinds of stuff, over rates. Unfortunately we are the messenger. My request to this Board is to reject this request. I think there needs to be full disclosure of everything. We need to go in and look at everything. Quite frankly, at our Company this past month the recycling markets literally collapsed. We went from receiving \$100 per ton for newspaper to \$0 per ton. We made drastic cuts at our Company. We laid off 31 people a month ago. We cut the coffee out in our office. We have made cuts for us to survive in business and then we thought we were getting out of the barrel and then we turn around and are faced with this situation. This will represent probably in the neighborhood of a \$2 and \$3 million increase for disposal costs for Penn Waste. We have to pass that on. This has got to be the worst time for this to happen. I'm sure everybody understands. I'm sort of preaching to the choir, but this debt load that is out there, I don't know how you are ever going to overcome that. I was actually reading one of the blogs on the Patriot (Central Penn) it was pretty interesting some of the comments. Someone suggested that maybe the Authority go to Washington and see if they can tag on to the automakers situation and get a bail out. This is just... Your debt is literally two times what it costs to build each of the resource recovery facilities in York and Lancaster. Thank you very much.

Mr. Haste: One thing with Penn Waste, you guys are actually doing a very good in collection. You probably don't hear good comments so often. The switch that was made in Susquehanna Township was a good switch.

Mr. Hartwick: Are you down in Swatara?

Mr. Wagner: Yes, we start Swatara. We have been hauling the Swatara Township solid waste to the York Incinerator, because there was an agreement that was made approximately 20 years ago. We have been dumping the Swatara Township waste at the York Incinerator for about \$77 per ton and we are trucking it south to York. It is going to be half of what this new proposed rate will be.

Mr. DiFrancesco: As a Lower Swatara Township resident I want to comment that the services are great, but also your comments this morning are right on the mark. I have a list provided by our Solid Waste Director of exactly what you are talking about rates

across the country of tipping fees. This is basically outrageous. Your comments were right on the mark.

Mr. Wagner: If you go west of Pennsylvania and you hit Ohio you are looking at tipping fees in the \$20s. If you go into Texas, I have a friend that owns a large landfill in San Antonio; they are dumping in the low \$20s. We have a lot of land area and acreage the tip fees drop dramatically. Really I would say Boston and New York City, that northeast region, is where the highest tip fees are. What I'm aware of are in the \$80 to \$90 range. Thank you. Thank you for your comments. We appreciate that.

DEPARTMENT DIRECTORS/GUESTS

A. Dauphin County Commissioners

1. Proclamation – Chief Don Konkle, Harrisburg Bureau of Fire & LEPC

Mr. DiFrancesco: It is my pleasure this morning to pay honor and tribute to a man who greatly deserves as much as we can possibly give him. Before I read the Proclamation, I would just like to say thank you personally to the Chief. The impact that you have had on this community extends way, way beyond the City of Harrisburg. I'm not exactly certain what your future plans are, but I certainly hope that we keep your energy and knowledge and your professionalism close at hand and employ them in many, many ways as you decide what your future holds.

Mr. DiFrancesco read the following Proclamation.

Office of County Commissioner **Dauphin County, Pennsylvania**

Proclamation

***We**, the Dauphin County Board of Commissioners, are honored to acknowledge and applaud a uniquely dedicated firefighter, emergency responder and educator, Chief Donald H. Konkle, as he retires from the Harrisburg Bureau of Fire and the Dauphin County Local Emergency Planning Committee (LEPC) after years of service and sacrifice;*

***Whereas**, Don Konkle has proven himself to be a consummate professional who never lost touch with his roots in the volunteer and professional fire services; as a superlative administrator, he is "cool under fire" and widely respected as the "go-to" guy;*

***Whereas**, for decades, this extraordinary public servant has been a courageous leader on the scene of nearly every city blaze, from minor kitchen fires to vast, fatal infernos;*

***Whereas**, since becoming a representative for firefighters on the LEPC in 1990, Chief Konkle led the Dauphin County Fire Chiefs Association as its President and the Harrisburg Bureau of Fire in spearheading a local Hazardous Materials Response Team;*

***Whereas**, he has the unique ability to present new ideas without injuring egos or existing plans, and for linking the paid services with volunteers, earning him widespread credibility and universal respect throughout the region; as Chief, he led by example, not empty talk, and never lost sight of the sacred oath he took to protect and serve citizens;*

Whereas, he has also served as a board member of Pennsylvania Safe Kids Coalition, the Public Safety Training Center, the Fire Museum, and the American Red Cross;

Therefore, we join the 253,300 residents of Dauphin County in honoring Chief Konkle for devoting his life to area citizens and for risking life and limb to protect their lives and property; we extend to him our enduring gratitude and wish him continued success in his retirement; and in due tribute to his inspiring life and labors of love, we do hereby proudly proclaim December 3, 2008 as "Donald Konkle Day" in Dauphin County.

Mr. DiFrancesco: Chief, I can't begin, in this meeting, to express the thanks that this community has for you and all the things that you have accomplished in a very selfless way. As I said it extends way beyond the City's borders in any responsibilities that you were actually paid for as a professional. What I have seen of you in the time that we have spent together is just a dedicated public servant who cares greatly for this community. I just want to take the time to sincerely thank you for everything that you have done.

Chief Konkle: Thank you for your kind words. First time I have ever been in this chair not asking for money. I would like to thank not only this Board but several boards of Dauphin County who have really been dedicated to public safety. With Mike Wertz, we spearheaded the effort to referendum to build a HACC Fire School in the County at a tough budget year. Sally Klein and Russ honored that. We done a 911 system and you are now doing a communications system. Obviously the staff upgrades at EMA have been very visible and helpful to everybody. Public safety is never cheap, but it is certainly important. We appreciate this Board's dedication to that.

Mr. Hartwick: Chief we have known each other for quite some time. You have truly been a person as the head of the Fire Chiefs Association for Dauphin County, but in the initial stages educated me about replacing a fire chief in Steelton. I looked to you for some guidance as it related to personnel, staff and professionalism. I want to make sure your number stays the same, because we are going to continue to rely on you for that kind of advice. Please know that on behalf of the 253,000 residents they have benefited from your expertise, knowledge and passion. I want to thank you personally for helping to spearhead and to get everybody coordinated on the same page as it relates to our communications issue. It was one that was out there for years and it was a challenge to be able to talk about the price tag and the process with the newest, greatest and latest tools that are always out there to try to keep the emergency management folks focused on something that was going to be a benefit to everybody in the region. We had the respect and input from the firefighters that is ultimately going to utilize this system to be the best of its kind. Thank you for your leadership and I know you are also a very good husband and family man as well. Those were two things that weren't mentioned that I know of you as well. Thanks again for your service.

Mr. Haste: I was just sitting here thinking and 22 years of public service at either the local or county level one of the pillars of the community in public service has been Chief Konkle. It is going to be an odd time when you are not the guy to call and not the go to guy. Nick was talking about some of the comments, even though you have been paid by the City for a lot of years, in many ways I think of you as something larger than the

City and I think you have played that role in the greater community. Between you and Chief Martin I can't think of two better first responder partners in our community than you two. To have part of that team leave will be tough shoes to fill. Thank you very much Chief, for being a team player for all those years.

Mr. Konkle: Thank you.

(Applause was given and pictures were taken.)

B. Charles B. Zwally, Esq., Mette, Evans & Woodside

Tipping Fee Increase for 2009

Mr. Zwally: On November 26, the Harrisburg Authority delivered formal notice to the County a proposed increase in the tipping fee for the disposal agreement between the County and the Authority. The proposed increase would be to \$165 per ton, which is approximately a \$100 per ton increase or an increase of approximately 150%. As required by the Disposal Agreement, the letter notice sets forth certain alleged uncontrollable circumstances, which are necessary in order to justify an increase. That is the only basis upon which such an increase is permitted under the Agreement. Mr. Wenger, your Financial Advisor, in this matter and I have reviewed the notice. We reviewed the alleged uncontrollable circumstances in the context of the Disposal Agreement and we have concluded that the reasons cited by the Authority do not support the increase and accordingly we are recommending that you reject the same. A rejection will ultimately lead to arbitration, which we will be prepared to participate in. In addition under the Disposal Agreement there is a requirement that the parties prior to arbitration engage in good faith negotiations and we are recommending that you authorize representatives of the County to participate in those negotiations with representatives of the Authority. Finally we recommend and request that you authorize us to advise the Authority, by formal notice, of the rejection of the proposed increase. I would be happy to respond to any questions you may have.

Mr. Haste: We'll each have some things to say. I will start by saying one of the things that I find difficult in this is when I look at the eleven points that were raised as being uncontrollable, eight of which occurred prior to 2008. So, they were items that we knew about last year at this time. Maybe more information came about, but absolutely none of them were new information. Three of them were market driven of the eleven and eight are old news; not anything new or uncontrollable for unforeseen. Maybe not fully researched by those that should have, but nothing new. I see no reason to move forward with this. I think it is actually unfortunate that the haulers were notified, in my mind, prematurely, because there is a lot that has to go through before we do this.

Mr. DiFrancesco: I have a whole host of things to say and I'm not sure how much of it will be beneficial in saying today. To say that the request is outrageous is an understatement. The only thing I can look at this and think about is in 2004 when this Board came into office we took over a County that was financially in total distress. What

we did over the next four or five years was make a lot of some popular and some very unpopular decisions to get our operating expenses under control, because that is what we promised the public we would do. We cut costs. We found the revenue sources and we ran a very intelligent County and it is being evidenced today. What I have seen over the last several years being involved with this project is complete negligence at the foundation that got this whole project started and along the route total lack of leadership. This project sat, back in the early financing days, for several months as millions of dollars of debt stacked up on top of the financial picture.

Mr. Haste: Close to a year.

Mr. DiFrancesco: With no action being taken by anybody other than a lot of showboating. Now we get to this situation once again where all of a sudden, surprise low and behold things that we knew about for a very long time are presented to us on November 26 in a letter. Notice is going out to haulers who have already sent out first quarter bills. Again, showing total negligence in delaying and putting something on the books that is premature and not well thought and to the best of my ability still I cannot find where aggressive action is being taken anywhere to offset the negative financial picture of this place. I realize it is way over financed. I realize the facility is in debt twice what it is worth. It would have been really nice to see action being taken to try to find alternative revenue sources and ways to not simply say oh the easiest route is to put the burden on the property owners and the taxpayers and the people who have to get rid of their garbage. At some point we have to stand up and say enough is enough. It is outrageous that the requests coming in are so far off the chart of tipping fees anywhere in the nation and yet that is a legitimate answer that is brought to this table. It is outrageous that this partnership that both of wish, well I don't know if the City wishes we wouldn't have entered into it because they are making out pretty good until right now that we wish we wouldn't have entered into it creates a situation where on November 26 a letter shows up basically that is the first notice we get that this thing is moving forward. I can't speak for the City of Harrisburg, but once again there is a parking authority sale sitting on the books and to the best of my knowledge a complete evaluation hasn't been done. It has been rejected. At a time where they need money to offset sins of the past and that is exactly what this project is. It was ill conceived. In looking at the pro forma and we see a situation where to peak a plan has to operate at something like 93% or whatever it was of capacity in order to be productive. Yet, the technology anywhere else in the country shows 85% at best. I don't appreciate it when people come in here and this entire project is built on a foundation of lies and that is exactly what this project was. We stood up to support the City of Harrisburg to give them our backing to assist them in saving money not realizing that what we were handed was complete lies unsubstantiated. To the best of my knowledge again nobody has ever paid a price for that. Today, once again, the answer is to go to the residents of the County, the entire County, all our constituents, as a matter of fact the most outraged constituents should be our constituents that live in the City of Harrisburg. I think they are the ones that are affected the most. Their rates are going to be higher than anybody else's and this is the answer. At some point we have to realize that the expertise necessary to deliver a complicated financial project in this financial shape is not at the table. What this action

shows me today is that whatever it might be, professional or whatever expertise is not at the table. This is not the solution. It is just an outrage that this is the track that we are going on right now. There are other alternatives. There are ways to alleviate this problem without going to the public at the time when the economy is bad and again Mr. Wagner I want to thank you for bringing up the fact that people are struggling right now. Household finances are at an all time stressed out people right now. People don't know what is going to happen next week and ironically the same people who are getting laid off from jobs are the ones that have to pay these bills and this is the solution. I guarantee you this will not be a solution that this Board of Commissioners would put on the table. We would find an alternative and yet this is the alternative. Oh let's jack rates up. That attitude is wrong. It is not the appropriate track to go down. It is time for solutions to be identified. It is time to go out and find streams that generate more money. It is time to go out and identify people who understand how the plant operates and make it run in a more refined manner. It is not the time to pass these increased costs that are insanely outrageously high on the public.

Mr. Hartwick: We just sat through our budget hearings in the County. We took a hard look once again at some very difficult and challenging problems that exist with the lack of Federal funding and State funding, what the economy is doing to our pension funds and figuring out ways, creative solutions and ways to try to balance the County's budget and be fiscally responsible at a time of economic crisis, not passing it on to taxpayers in times when people are uncertain about their jobs, not certain about benefits and are not certain about anything. We even took the Library System, in this last budget that had come to us and asked for a tax increase. We figured out a way internally to prevent that and still take care of the library system without passing that on to taxpayers in this County. We did it because if someone has heard me say this once they heard me say it a hundred times; those people who want to point fingers and tell everybody what is wrong with what they are doing are very short on solutions. Wait until you see the politics that happen after today. Wait until you see the politics that are pitting this person against that person and a whole bunch of smoke that is going to occur to try to divert people's attention off of what real solutions may exist that are not being explored because quite frankly people would rather point fingers and place blame than try to provide solutions. As Nick said, I believe we created more enemies and friends in some of the decisions that we made and they were tough. They were extremely tough, from turning our entire healthcare plan design around to figuring out ways to reduce the number of complement here in the County from 2100 employees down to around 1600 employees without compromising direct services. That wouldn't have happened if I was talking about Jeff Haste being a Republican and Nick doing this... We worked together for the best interest of the taxpayers in this County. That is all you are going to hear as a result of what we are telling you today. You are going to hear a lot of people pointing fingers. You are going to hear people saying that it is the County's fault. We are here in an attempt to try to provide some solution and opportunity because of the financial situation of the City. They have nowhere else to turn, but yet we are going to be put into a position of blame rather than figuring out a way to communicate with us, with our staff, with our professional service folks about solutions that won't directly pass those onto the taxpayers. We could talk about a number of them today, but I don't think it is the time or

place to do that. I think those options were already recommended to individuals from the Authority and the City. I don't think there is any easy solution to something that has over \$150 million in stranded debt. The idea of a sale is great. I think everybody would like to cut their losses and figure out a way to get this thing off our hands, but come up with a way to pay for \$150 million in stranded debt without a revenue source and figure out you pass those expenses on to taxpayers in this County and City. There is no easy answer. All sides are bad. There is not an easy solution to this problem. The Board has tried to set an example to do is not to go to a blank checkbook that is called the taxpayers' dollars or do pass it onto residents. We have to come up with something as an elected official to provide creative solutions to complex problems and not try to pass those costs directly on to the consumers. If you don't have that kind of leadership you need to find it. You quite frankly need to find it because it is not about being popular, it is not about winning an election and it is not just about you. Get over yourself and realize that it is about making tough choices, get on the right financial track to be able to address problems for the long term for our kids and grandkids and beyond. What really needs to be resolved is a whole lot better communication, not drop a message a week out and then tell us we have no options. We are partners in this. We are not supposed to be the enemy. Quite frankly we are the only one who has put the County in a financial position to be able to be in a position to help and now we are continually being treated like a step child. That is something that this Board is not going to be pushed or backed into a wall thinking that there are no options. We want creative solutions and the ability to communicate and work together and figure out every way that we can collect every amount of dollar that can be received and figure out ways to address a lot of the concerns that have already been raised and figure out a way out of this problem not by just passing it on to the taxpayers. My answer is going to be no today.

Mr. Haste: It might be important to go over a little bit of history. The State decided to put flow control into the counties hands back in the late 1980s and early 1990s. The incinerator was there and there was a landfill in the northern part of the County. This is 20 years ago. The incinerator was viewed as being inefficient. So, the County made the unpopular decision of taking its flow control to the landfill. Time goes on and the County, the previous Board, had the opportunity to look at it and the landfill was getting ready to close. It had reached its capacity. There was a move at that time thinking that the incinerator had gotten better and there was an effort to take the County's flow of waste and give it to the municipality that claimed that they would make money off of it. It was viewed at that time I'm sure by those that it was a way to help one municipality out and help another part of our County and that was the close of the landfill in the northern part of the County. The landfill was not popular and it was not a good neighbor. It was a way to help the northern end in dealing with the truck traffic and everything else that was going on up there. The County decided to go with the incinerator with the flow control plan. Hindsight is always 20/20. I can remember two years ago we started talking about ways to try to make this a little more efficient and ease the pain. I can remember being chastised and all kinds of things that how could those guys sitting over in the County building be telling us what to do when making suggestions like that it is not theirs, it is ours and we know how to run it. The problem is they do like to come to us whenever there is a financial problem. That seems like the

only time we are consulted. George said that he feels at times like the step children. I don't feel like that I actually feel like the sugar daddy. The only time we are consulted on is when they need money. It is quite frustrating. I think we have reached the point where that relationship is going to have to drastically change, because as Nick said and I have mentioned before there are a number of solutions that need to be looked at prior to us talking about a rate increase. There are quite a few other avenues of revenue that can be looked at. The answer I was told is that they will look at them in time, we need the money now. As Nick said this is the easy way out. I think some of these ideas should have been looked at as early as the beginning of 2007. I was told that everything was being analyzed throughout that time and the analysis came down to look at the other sources of revenue later and go to the recipients of our service and we will hit them now. The other real problem with this is enforcement. I think this is going to open up a Pandora's Box in that it will make this very difficult. I think it will encourage people to try to skirt the plan and I think this is just bad all the way around. It would be irresponsible on our part to go along with this request for a rate increase. I think we need to reject it and fight it as hard and as vigorously as we can.

There is a request for us to act on Harrisburg's request for a tipping fee increase for 2009.

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board reject the request from the Harrisburg Authority for a tipping fee increase; motion carried.

(Mr. Haste – Aye; Mr. DiFrancesco – Aye; and Mr. Hartwick – Aye)

Mr. Haste: I think we can just do this in concurrence. We need to instruct Mr. Zwally to begin moving forward.

Mr. Zwally: I assume we are authorized to provide formal notice to the Authority and we will do that. We will contact the Authority with respect to the proceedings, which will involve negotiation and eventually arbitration if negotiation is unsuccessful.

Mr. Haste: Unless there is an objection the negotiation team will be Jay Wenger, Chuck Zwally and myself.

C. C. Peter Carlucci, Esq., Eckert Seamans

1. Update on Dauphin County Hospital Authority

Mr. Carlucci: I'm here with Mr. Memmi to have a conversation about the Dauphin County Hospital Authority. This is a conversation that began with Mr. Saylor. We were exploring the concept of having the Dauphin County Office of Economic Development serve as the administrative support for the Dauphin County Hospital Authority. There are some synergies that would evolve from that relationship between Dauphin County Industrial Development Authority and the Hospital Authority. As you know the IDA does

participate in a number of financings from 501C3. Last week we were here and sought your approval for the IDA's participation in a financing for the Visiting Nurse Association. Prior to that the Central Pennsylvania Blood Bank was another typical 501C3 financing that went through the IDA. These are projects that quite frankly could be taken through Dauphin County Hospital Authority. If the administrative support came through the Dauphin County Office of Economic Development we could facilitate some common policies with respect to fee structures that the IDA uses in connection with its processing and participation in financings of this type. It could generate some revenue for the County that could be made available for economic development activities. I think it is a concept that is worth discussing and that is why we are here today.

Mr. Haste: I remember one of the discussions we had earlier and I think we may have talked about it; one of the things that seemed to strap the Hospital Authority was the \$10 million cap. Would that continue under the IDA or does that?

Mr. Carlucci: This is a technical issue that deals with tax exempt financing. Every issuer County, IDA and the Hospital Authority, are all examples, are able to issue tax exempt debt which is determined to be bank qualified debt every year in an amount not to exceed \$10 million. Each issuer has an allocation of \$10 million every calendar year that allows them to incur debt that is what we call bank qualified. Bank qualified enables the availability of lower rates of interest than just straight tax exempt interest. What it does is it allows banks to carry this paper in their portfolio, generate for them tax free revenue on the one hand and on the other hand they are able to expense up 80% of the cost of carrying that debt in their portfolio. A simple example would be if I were to borrow money from the bank and put a mortgage on my house for \$100,000 and use it to buy tax exempt bonds to generate tax free income for me I would not be in a position to deduct the cost of the mortgage on my income tax, because that would be a double dip. From the perspective of the Internal Revenue Service I would have essentially used my borrowing to generate tax free income on the one hand and then try to deduct the mortgage interest expense against taxable income. It amounts to a double dip. The banks do this and the Congress recognized that for small borrowings issuers had to be able to access the bank for \$2, \$3 or \$4 million loans so they created this exception, this \$10 million exception. Bank qualification exception has a wrinkle to it and that is it is attributed up to the County from the IDA. The reason for that is the IDA is considered to be a controlled entity within the provisions of the Internal Revenue Code by virtue of the fact that the members serve at the pleasure of the Board of County Commissioners. Unlike the IDA, members of the Board of the Hospital Authority are appointed for definitive terms. They can be removed; however they can only be removed for cause. Consequently the Hospital Authority is outside the definition of a controlled entity under the Internal Revenue Code. If we were to have the ability to guide some of these 501C3 financings that benefit from bank qualification through the Hospital Authority it would preserve the bank qualification capacity for the IDA and it would also not affect the bank qualification capacity for the County. Every time the IDA does a bank qualified borrowing it is attributed up to the County. If the County wanted to, for example, do a Tax and Revenue Anticipation financing for \$10 million and they wanted to go to a local bank that offers bank qualified rates had the Authority participated in a tax exempt

financing that calendar year they would have been unable to do that for the full \$10 million. It would have had to been reduced for whatever amount of tax exempt financing the bank qualified the IDA had done in that calendar year. It is a little complicated.

Mr. Haste: What is your suggestion? Do we combine the two or keep the two and have the same appointees?

Mr. Carlucci: Keep the two. You would not necessarily have to have the same appointees. You could have different appointees, but the administrative support would come out of the Dauphin County Office of Economic Development. That would facilitate the synergies that we see which would benefit the County both in terms of revenue generation as well as preserving this technical issue of bank qualification capacity.

Mr. Haste: That was my concern. I didn't want to diminish our ability to do that.

Mr. Carlucci: I would not recommend that you have the same parties appointed to both boards. That would not be my counsel. The one set of board members serves at your pleasure and the other does not. If you were to combine the two I think the service could make the argument that basically it is the same entity.

Mr. Haste: What do we need to do to enact that?

Mr. Carlucci: Step one would be to determine the status of the members of the Board of the Hospital Authority.

Mr. Saylor: Their terms are expired.

Mr. Carlucci: They continue to serve until they are replaced. Step two would be to determine what the terms are that are available, because they are staggered terms. Make new appointments.

Mr. Saylor: It is a five member Board. All the terms expired so they are all open.

Mr. Carlucci: New appointments would be appropriate and we could move forward from there. That would be the first step. It would be prudent to have conversations with the potential appointees about this administrative arrangement so there is a consensus.

Mr. Saylor: I will circulate to you the names that we last have on record and then we can go from there.

D. J. Scott Burford, Deputy Chief Clerk

1. New Right-to-Know Policy for Dauphin County

Mr. Burford: In front of you is a draft Right-to-Know Policy. I'm not asking that you act on it today, but I would like for you to consider it. I have been working closely with the

Solicitor's Office to craft this document. I believe it captures the essence of the Right-to-Know Policy as enacted by the State in February. It does address some of the key elements of access, procedure, notification and any appeals that might be necessary. A couple of things that I would like to draw your attention to is over the next 12 months I anticipate operating the office under interim guidelines as issued by the State; meaning that there will be clarification notifications coming from the State throughout the next 12 months. This document in front of you does allow me to issue bulletins as a reaction to any changes that are made by the State. What that really represents is that we don't have to change our policy necessarily every time there is a minor change at the State with interpretation. I wanted to point that out and make myself available for any questions that you might have.

Mr. DiFrancesco: Are there any questions?

Mr. Hartwick: We have already sat down and discussed this.

Mr. DiFrancesco: Keep on top as you have been. We have the opportunity here to play a role in assisting the State in identifying issues so that when they set the regulations it works both for the public and for the government agencies. I think we are out on front on this thing and I appreciate all your efforts.

PERSONNEL

Ms. Lengle: Are there any questions on anything in the Personnel Listing?

Mr. DiFrancesco: Any questions on the Salary Board?

Ms. Lengle: I'm sorry Salary Board and also the Personnel Transactions Listing. There are items that I need to point out and there are a few items that I'm going to request a vote on today.

Mr. Hartwick: Are we having our meeting next week?

Ms. Lengle: Yes.

Mr. Hartwick: Are you going to request action on the Addendum?

Ms. Lengle: No.

Mr. Saylor: Obviously the hiring window has passed and it won't open again until February.

Mr. DiFrancesco: I'm assuming that the ones that they are requesting have gone through review. Anything that is out of the window is supposed to be reviewed.

Mr. Saylor: They will before next week.

Mr. DiFrancesco: Any other questions?

Mr. Hartwick: What are you asking us to act on today?

Ms. Lengle: Separation #17 I would like to pull. Vacancy #2 needs to be changed to just one position instead of two. I'm requesting a vote on New Hire #6 and also Personnel Changes #10, #11 and #12. Item #12, the reason for the transfer a hire for department clerk II in Domestic Relations took another job so now this person that was hired for a department clerk 1 is going to transfer to the department clerk II. We are going to just put her into the clerk II position. She is starting on the 15th.

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board approve New Hire #6 and Personnel Changes #10, #11 and #12; motion carried.

PURCHASE ORDERS

Mr. Baratucci: You should have received your Packet yesterday. There are a number of budget issues that we will have to resolve until next week. Are there any questions on any of the items in the Packet? (There was none.)

We will have next week and then one other approval on the 17th and that should be it for 2008 requests.

TRAINING PACKET

Mr. Haste: We need to approve the item on the Training Packet.

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board approve Item #1 listed on the Training Packet; motion carried.

ITEMS FOR DISCUSSION

- A. Appointment of Terry Haines, Angela Smith-Aumen and Kathy Possinger to the Affordable Housing Board. Terms will expire December 31, 2010.
- B. Appointment of John Kerschner and Dean Knorr to the Ag Land Preservation Board. Terms will expire December 31, 2011.
- C. Appointment of Donna Delle Brandmyer and Dolores S. Miller to the Area Agency on Aging Council. Terms will expire December 31, 2011.
- D. Appointment of Frank Pinto to the Capitol Area Transit Board. Term will expire December 31, 2013.

- E. Appointment of Bradley Dorrance, Kim Smith and Rev. Monica Dawkins-Smith to the Dauphin County Children & Youth Advisory Board. Terms will expire December 10, 2011.
- F. Appointment of Shirley Radel to the Conservation District Board. Term expires December 31, 2012.
- G. Appointment of Margaret Kortze, Michael Patterson and Mary Beth Phillips to the Fort Hunter Board of Trustees. Terms will expire December 31, 2011.
- H. Appointment of Nancy Thompson to the Dauphin County Housing & Redevelopment Authorities. Term will expire August 26, 2013.
- I. Appointment of Paul Clark to the Dauphin County Industrial Development Authority. Term will expire the 1st Monday of January 2014.
- J. Appointment of Deborah E. Lewis to the Mental Health/Mental Retardation Advisory Board. Term will expire December 31, 2011.
- K. Appointment of Tom Shaffer to the Dauphin County Planning Commission. Term will expire December 31, 2012.
- L. Appointment of Rich Lewis to the Herbert A. Schaffner Youth Center Advisory Board. Term will expire December 31, 2012.
- M. Appointment of H. Glenn Manning to the Susquehanna Area Regional Airport Authority (SARAA). Term will expire the 1st Monday of January 2014.
- N. Adjustment of terms for the County's appointments to the Tourism Board – Chad Saylor, term will expire December 31, 2009 and Gary Luderitz, term will expire December 31, 2010.

Mr. Haste: All of these items can wait until next week.

SOLICITOR'S REPORT – WILLIAM TULLY, ESQ.

Mr. Tully: There are no additions to the report. Would be happy to answer any questions you might have. (There was none.)

CHIEF CLERK'S REPORT – CHAD SAYLOR

Mr. Saylor: I was only going to point out to your attention the various appointments that are listed on the Agenda for approval next week. There are a few more coming. I want to direct your attention to Letter N – we have three appointments to the Tourism Board. When the Tourism Board was first reappointed all three appointments came up at the same time. Their terms ended at the same time. The Board has since changed their By-laws for staggered appointments and that is what we are seeking to do there with my appointment and Mr. Luderitz's. We are waiting for a recommendation on the third spot. Are there any questions for me?

Mr. Hartwick: There should be an addition to J as well. There should be two. Can you double check with Dan?

Mr. Haste: Richie is saying that she doesn't have it.

Mr. Saylor: I also have Dan Kern checking on some Schaffner appointments. I think there is a total of three there.

Mr. DiFrancesco: Two are I think solid and one was in question I believe.

Mr. Saylor: We only have the one that is listed for sure.

Mr. DiFrancesco: That one is obviously solid.

COMMISSIONERS' COMMENTS

Mr. DiFrancesco: Yesterday I spent the day down in Washington. It was a very productive meeting. It was one of the best days that I spent on Capital Hill. I have never been down there this time of year when things are moving at a very slow pace. Normally we are down there during the hype when you might get 10 or 15 minutes with somebody and they are pushing you out the door. You walk out the door thinking they are not even going to remember what I talked to them about. Yesterday every office that I met with and I met with six of the seven transportation committee members from the PA delegation and both U.S. Senate staff. It was all staff and the meetings were very relaxed and a lot of good interaction. Some of the topics that were brought up, one was our concerns as commissioners over the stability of the whole funding process for roads, bridges and so forth since the Governor flexed that money out of our system and out of our hands. I can tell you that each and every office that I stopped into it really didn't matter if it was a southeastern congressman or local they said yes from a fundamental policy standpoint we are concerned about that also because everybody sort of thinks that while that flexibility should remain in place there also has to be some stability for road projects in the local regions across the Commonwealth. That is definitely on their radar screen and most of the offices believe that will be addressed in the highway bill that will be coming up very early in the next congressional term.

Another issue that I spoke to all the offices about was what is going on with our railroad bridge and the right-of-way challenge; the struggle between Norfolk Southern and the public right-of-way through the Lemoyne connector. Again I handed out the letter that was sent to our local delegation and I expanded that to include the other members from other areas of the State. They all looked at it and said we see your point and argument. What do you want us to do? We are exploring that right now in terms if we can get a joint colleague letter signed and sent off. The staff members certainly understood what was going on and the severity of what was going on. It was a very productive day. I think it is important to note too for the record that most of the offices that we were in were very pleased that they knew all of us that they have seen all of us because they

very much value when leaders like us show up in their office to really explain what those policies mean on the streets. They were pleased to have us down there. George had been down there recently with the PA Psychiatric Institute with the requests and challenges. It was a very productive day. They expect us to keep in close touch even those that don't represent our county. I never hit so many offices in one day. We did 8 visits and all of them were good solid visits.

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 at this time? (There was none.)

ADJOURNMENT

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

Respectfully submitted,

Chad Saylor, Chief Clerk

Transcribed by: Richie-Ann Martz