



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**WORKSHOP MEETING**

**DECEMBER 15, 2010**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk; Marie E. Rebuck, Controller; William Tully, Esq., Solicitor; Randy Baratucci, Director of Purchasing; Kay Lengle, Personnel; Melissa Bradley, Personnel; Joe Cardinale, Solicitor's Office; Leila Brown, Solicitor's Office; Tom Guenther, Director of IT; Gary Serhan, Deputy Controller; Carolyn Thompson, Court Administrator; Faye Fisher, Director of Personnel; J. Scott Burford, Deputy Chief Clerk; Amy Richards, Commissioners' Office; Edgar Cohen, Director of Facilities Maintenance; Brenda Hoffer, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; George Connor, Department of Community and Economic Development; Dave Schreiber, Personnel; Bruce Foreman, Esq., Solicitors Office.

**GUESTS PRESENT**

Matt Miller, Michael Hanes, Megan Lello, William Cluck,

**MINUTES**

**CALL TO ORDER**

Mr. Haste, Chairman of the Board, called the meeting to order at 10:15 a.m.

**MOMENT OF SILENCE**

Everyone observed a moment of silence.

## **PLEDGE OF ALLEGIANCE**

Everyone stood for the Pledge of Allegiance.

## **APPROVAL OF MINUTES**

Mr. Haste: We have a number of meeting minutes that we'll take up at next week's meeting.

## **PUBLIC PARTICIPATION**

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

## **DEPARTMENT DIRECTORS/GUESTS**

### **A. Michael Hanes, President/CEO, The Whitaker Center**

#### **1. RACP Funds**

Mr. Haines: Good Morning. Whitaker Center for the Science and Arts has a fortunate opportunity to make some significant renovations and rehabilitation project within the center itself. In 2007, I asked the facility staff to do a comprehensive review of the facility itself since it was reaching 10 years of life and I anticipated we would have some significant needs following that. Many of our systems are only warranted for 10 years so the facility folks put together a comprehensive assessment in regard to 3.2 million dollars of work that needs to be done over the next 3-5 years. We began working with our representatives at the Capitol and submitted our request in 2007 and it was included in legislation that authorized 1.5 million dollars in 2008. It has been 2 years waiting for the release of funds and we now have been notified that we can anticipate the release of \$750,000. We are required to match that \$750,000 with \$750,000 of our own money which we currently have in our accounts ready to go when the projects are fully funded. We anticipate a three phase total project taking 24-36 months. It is phased because each phase addresses a different aspect of the facility. The largest component in that is rebuilding the heating and air conditioning systems within the facility. All of the components in that system all had 10 year warranties and it has passed that now. It is now time to rebuild those. In addition to providing us with new operations and facilities, we also will reduce the energy use in the facility quite significantly. We anticipate at least 25% savings based on rebuilding these systems with more efficient components. That is phase 1 which will take 6 to 12 months and won't have much of an impact on operations because of it being most behind the scenes renovation work. Second phase has to do with replacing major lighting systems throughout the building. I believe I shared with you in the past that our electric bills in the past used to be about \$250,000 a year. We reduced that by about \$50,000 and we intend to reduce it more but in order to do that, we must replace the lighting fixtures with LED systems and that is a major

component of phase 2. Phase 2 will also include repainting major public areas in the building. The building is a very beautiful building and has held up very well but when you look closely you can tell that it has been heavily used for the past 10-11 years with about 400,000 visitors a year. It really takes a lot of wear of tear and we are now investing in those types of refurbishments. Phase 3 will actually involve significant renovations. The access to the elevators from the Science Center are very awkward and in order to go to one level of the science center to another using the elevator, you must leave the science center get the elevator and then it will take you the next level and go back into the science center. We already architecturally designed to improve that access by relocating doors and access ways. We also have plans to refurbish and update the main entrance arcade level to the science center. We intend to redesign the store that is located at the arcade level to provide greater access for the public and more display case space for our store manager and also the fourth phase will include replacing carpet and floor covering throughout the center where they are badly worn. That is our review of the project.

Mr. Haste: I was just talking about the store this morning. That is one of the places, especially this time of year, and looking for unique gifts. I have two nieces that love different things and that is where I find them.

Mr. Haines: Thank you for the plug.

Mr. Pries: Thank you for the opportunity for a tour and I consider it to be a county jewel. There are a lot of great things happening and you are proactive in your thinking with your programs and keep up the great work.

Mr. Hartwick: Can you explain to me the bidding process with the construction work? We like to keep all businesses local to the extent that we can.

Mr. Haines: I haven't exactly counted all the small component projects here but my guess is as many as ten small projects here that we will be sequencing over this 2-3 year time. Our procedures are to announce the work, request for bids. Through the years, we have had many interests from local companies and will continue to do so as we can and it will be announced publically and available to all interested parties to respond, then all will be reviewed.

Mr. Hartwick: Please provide me all the necessary information so our building trades and local minority contractors are aware of this opportunity as well.

Mr. Haines: I would be happy to.

Mr. Saylor: What role do you need the county to play in this?

Mr. Haines: Yes, redevelopment assistance capitol project funding requires that a municipality in essence receive the funding. In doing that we need your assistance to pass a resolution allowing us to formally complete and submit the application. That is

the most significant component and it also requires as I understand it that someone from the county would sign off on two budget forms that are included in the application. Those budget forms outline the source of funding, matching funds as well as the RCAP monies as referred to and the other budget form outlines where the expenditures will be and major line item categories. We are still in the process of putting all of these pieces together. It's the first time that I am aware of Whitaker Center as ever receiving this funding so it is a new venture for us. I am meeting with our contact person with the Department that manages these funds to review the application but these are the components that we need your assistance with.

Mr. Haste: Please provide that to our Solicitors Office as soon as possible.

Mr. Haines: Yes.

Mr. Foreman: We received the two budget forms but they do not have the numbers filled in. They are reviewed and are in order but obviously need completed. If we have them before next week's meeting, we will work to place a resolution on the agenda for the Commissioners next week.

Mr. Haines: There is an end of year filing deadline. Thank you for your support. I want to also share with you that we will be redoing the Market Street and 3<sup>rd</sup> Street entrances to make them much more energy efficient in February and March.

## **A. Mike Yohe, Director of Budget & Finance**

### **1. Adoption of the 2011 Budget**

Mr. Yohe: Today is the day that we advertised to vote and approve the 2011 calendar year budget. Three weeks ago we placed the proposed budget out for public inspection and it has been 21 days, thus meeting the 20 day requirement. I am happy to report in those last three weeks and we did go back and we revisited several areas of the budget and we were able to reduce the general fund budget by about 1.8 million dollars since November 24, 2010 when it was on the table. Two other funds were reduced slightly, EMA due to the Motorola contract it was reduced by about \$225,000 or so and Domestic Relations due to removing a few positions; their budget was reduced slightly as well. None of the budgets went up. We were able to reduce the general fund budget by about 1.8 million dollars. We are looking at \$167 million dollar budget for 2011. That represents a 32 million dollar decrease from the current 2010 budget and a lot of that has to do with the incinerator debt. More importantly this budget has a 1.7% increase over our estimated 2010 expenses. That is pretty remarkable. In three weeks, we made it even leaner. It is there for approval today. There will be no tax increase at all associated with it. Page 9 represents the tax rate that maintains the same 6.876 millage rate for general purposes and retain the 0.35 millage rate for library taxes.

Mr. Haste: Thank you to the Departments and employees for working on this with us the past three weeks. It has not been a pleasant three weeks. Some of my good friends

didn't have many nice things to say about me. I believe everyone understood though. It shows a team effort by our Directors. The philosophy has changed drastically seven years ago and I am very proud of our Departments and looking at the expenditure sides and keeping that down but also taking a hard look at the revenue side to make sure we are maximizing funds other than general fund tax dollars. It is difficult times and even with additional burdens placed on us by the city because of their inability to deal with their day to day operations but we will continue to move forward and we have a very good and fair budget on the table.

Mr. Hartwick: I want to thank our staff for diligently working and I know it has been extremely difficult. We have important obligations this year even in tough economic times since we have been here and we have always done so since I have been here. We are not here to point fingers or blame but to come together and resolve significant issues. We have not made friends and we have shown significant leadership this year with what we have done at Schaffner with overall reduction in expenses and with expenses that are even out of our control, we are still trying to manage. We had one of the best performing pension funds in the state of Pennsylvania. It has been said that this Board has not been fiscally responsible, this budget is probably a record in light of all the issues with the city, and our national economy, healthcare costs, we have one of the lowest budget increases in county government. We will continue to work in the best interests of county taxpayers and we have not made friends and I will continue working that way to keep the ball off of the taxpayers.

Mr. Pries: We are not here to make friends. We are here to serve the taxpayers and we have to make tough decisions. Mr. Yohe, how long have you been here?

Mr. Yohe: 25 years.

Mr. Pries: After 25 years and six straight years with no tax increase and with this budget which is a 32 million dollar reduction from 2010 is remarkable. I know I am the new guy on the Board and I have to take my hat off to the Judges, Row Officers, Directors and others who have gone through the budget line by line and made cut after cut. We have been very fiscally responsible. I couldn't be more proud to take this vote today in these tough economic times.

**It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve the 2011 Budget; motion carried.**

## **PERSONNEL**

Ms. Lingle: Do you have any questions on any items in the Salary Board or Personnel Packet? I'm not asking for a vote on anything today. (There was none.)

## **PURCHASE ORDERS**

Mr. Baratucci: Nothing to report, any questions? We did not get any requests. There is one more week just in case of emergencies.

Mr. Pries: Thank you for upholding the timelines.

Mr. Baratucci: Thank you. I may have to ask for one time approval at the 12<sup>th</sup> workshop. With coming back in 2011 on the 3<sup>rd</sup>, the 5<sup>th</sup> is the first meeting. That does not leave much time for budget adjustments. This would be a one-time request. Then back on track the following meeting cycle.

## **TRAINING PACKET**

Mr. Haste: I don't believe there is anything on the Training Packet that we need to approve.

Mr. Saylor: No.

## **ITEMS FOR DISCUSSION**

Mr. Haste: Items N and O need voted on today.

**N. Resolution #46-2010 – Tax Levy & Appropriation.**

**O. Resolution #47-2010 Hiring Freeze promulgated by the Dauphin County Board of Commissioners for all employment positions in the County of Dauphin.**

**It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve Resolution #46-2010 – Tax Levy & Appropriation; motion carried.**

**It was moved by Mr. Pries and seconded by Mr. Hartwick that the Board approve Resolution #47-2010 Hiring Freeze promulgated by the Dauphin County Board of Commissioners for all employment positions in the County of Dauphin.**

## **SOLICITOR'S REPORT**

Mr. Foreman: I have no changes to the draft report, but would be happy to answer any questions.

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

Mr. Saylor: On a good note, The Tourism Bureau announced recently that the Keystone State games will be coming back to Harrisburg. On a sad note, Dauphin County family lost Christine Bullock who was a long time Prison employee.

## **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?

Mr. Cluck: My name is William Cluck, 587 Showers Street, Harrisburg, PA and I am a member of the Board of the Harrisburg Authority. Congratulations on enacting the budget with no tax increase. I would suggest there is a possibility to reduce expenses if the county were to forgo on the lawsuits against the city and Authority. The reason I am here this morning is because Commissioner Haste was quoted in the Harrisburg Patriot News and I do not know if it is accurate, about the pending lawsuit that is supposed to go to trial tomorrow that the Harrisburg Authority has not lived up to its obligation. I recognize that this city has been dysfunctional and I am not here to speak for the City but we, being the Authority, have been very responsible, we have an active new Board, we have adopted a budget that prior to debt service we believe we will clear approximately 7 million dollars that will go towards the 57 million dollars in debt service due. My understanding is that the city's proposed budget does include a line item for 51 million dollars but I have absolutely no idea where the revenue is going to come from. If you haven't heard DCED has granted the City's Act 47 application for distressed municipality status and that would be one of the reasons why the county should forebear all of the lawsuits. My research indicates that the first million dollars in legal fees were spent when Mayor Reed and City Council President Linda Thompson couldn't agree on who can appoint the Board. That cost the taxpayers in the City a million dollars in legal fees. Meanwhile, the County's various lawsuits against the Authority and the City by my estimate is also another one million dollars in legal fees. We understand the County is now financing the AGM or TB bank lawsuit and that right now is approximately 100,000 dollars. You should also be aware that the bond insurer AGM has taken \$700,000 out of our debt service fund to pay for their lawyers. That is \$700,000 dollars that could have gone to debt service but rather than all of the parties having discussion about forbearance and coming to some kind of comprehensive plan instead everybody is paying lawyers and we have no resolution and no discussion. I am sorry to say that the litigation is only warming up and I think that there will be more to come. That is extremely unfortunate. I am here today to ask some questions and I am greatly appreciative of my last visit in November we had a very frank discussion and I hope we can do the same. The County appears to want receivership for the Authority's incinerator. We tried to communicate through counsel as to exactly what would be the process for select deal receiver and what would be the scope of that person or firms duties and I am here today to say that I still haven't seen a response. Before I make a decision whether or not to support receivership, and I will tell you frankly I may support it, but my question is why? What do we have to gain? Is it to replace Covanta? Is it to renegotiate Covanta's contract which frankly would be a very

good thing to do. Or is to replace staff at the Authority, or make changes or increase tipping fees? I will tell you I am not sure how public this has been but before we adopted our budget, which I believe that you have seen, we considered raising tipping fees. Because that Board felt strongly that we should have a balanced budget and we don't, we haven't. In order to have a balanced budget of the Harrisburg Authority, the tipping fee for the City of Harrisburg if that is the only way that we increase legitimately, would go from \$200 a ton, which is the second highest in the country, to \$1500 a ton. That would enable us to pay our debt service, replenish debt service reserve funds, reimburse the county, reimburse the City, reimburse AGM. If we were able or if the County would agree, we also believe it is a matter of policy that tipping rates should be the same or similar for the county and city, otherwise it encourages fraud. We are aware that certain haulers come to the incinerator and say that I am from Swatara Township, not the City so they are charged less.

Mr. Haste: Or Cumberland, where they can get it even cheaper.

Mr. Cluck: If we were to equalize the rate and want a balanced budget, sticker shock, it would be \$400 a ton. That is not too bad for the City. I know you are not thrilled about that. So we adopted a budget and kept the rates the same. However, we thought we sent a verbal warning to the City; however no one was at the meeting, that we expected action, we want to see a plan, and we want to understand what they want to do. We have not heard from the City other than described line item. I don't know if leasing the garages is the answer, I think it funnels the short term problem for 2011 but you still have 22 million dollars in debt service in 2012. In 2013 you have \$35 million which is due. By the way, we thank the Commissioners for stepping up to the plate and refunding /repaying the \$35 million in notes that is due today. I guess what I am looking for is that we need to open up the lines of communication. I am aware of the meeting, we spoke about that last time, and I will be frank with you and I still haven't heard what happened at that meeting for some reason we have a communication issue on my end, my board, that's our internal baseball. We would hope with the designation of Act 47 and the state approving a coordinator to develop a plan over the next 90 days, we all have a chance to sit down and talk and we come up with something that is fair, reasonable where frankly everyone bares pain, and that could include tax increases, could include fee increases or perfectly a haircut for some bond insurers. In closing, people need to be aware that the County is not innocent, I am not saying the gentlemen sitting up here today, I am saying over the history of this issue it was the County that supported closing of the Dauphin Meadows Landfill and as a result that led to the transaction and encouraged and enabled the City of Harrisburg to expand the incinerator. The retrofit financing we didn't do the due diligence on Barlow, not just the Authority, not just the City but also the County your due diligence did not look at their finances, you looked at their technology, you relied upon the Buchart Horne report, but never checked out their financing. In the CIT issue, which the County did not guarantee the 25 million dollar loan, although you are a party to that ongoing lawsuit, it appears that the County was in agreement that the \$25 million would be an operating expense. Dealing with an operating expense means that it gets paid before debt service. I am surprised that the County and the Authority took that addition but I understand at that

time that they were being blackmailed; that in essence you aren't going to get the \$25 million from CIT to complete construction and that is now in litigation. One more time, we really, my understanding from talking to my Executive Director and Chair, we have not seen the results from the investigation with flow control. I know Chairman Haste believes that that information has been shared, but I went back and confirmed with them that they haven't seen it. We would ask your cooperation to assist us in enforcing flow control. If the County doesn't believe it has police power, we believe we do have rights and remedies as a designated facility under ACT 101 flow control plan, that we have rights and remedies, but we need the evidence. So rather than us going and spending money on investigating, we would like to rely upon what the county has done and send a message. Not that it's a lot of money but it appears to be some money. With that, I have spoken way too long.

Mr. Haste: On the last, real quick, I spoke to our Solicitor, again the Attorney that was in that meeting and he said in fact the information was shared and seen, and in fact it was reviewed by those there. You could get a copy, if the Authority would sign the non-disclosure paper, which the Authority has not signed. Once that is signed, or whatever document they deem, once that is signed, you will have all of the copies.

Mr. Cluck: If I sign a non-disclosure, how do I use it in litigation?

Mr. Haste: That is between the attorneys. That is what our Solicitor said. You need to talk to him.

Mr. Cluck: Ok, one more time, I have spoken to our staff.

Mr. Haste: Have you spoken to our Solicitor?

Mr. Cluck: No. Our staff said at that meeting, they were not shown the documents.

Mr. Haste: I wasn't at the meeting, I m just telling you what the Solicitor said.

Mr. Cluck: Ok.

Mr. Haste: You need to talk to him. It is easy for the Authority to get it. If you comply with the needs of our Solicitor. Otherwise, they will show it to you again.

Mr. Cluck: Even if I saw it, if I signed a confidentiality non-disclosure agreement, I can't rely upon it.

Mr. Haste: Your attorneys are very clever that put wording in there that allow you to do what you need to do and allows our Solicitor the protection that they need.

Mr. Cluck: I am the client this time, not the attorney. I will talk to our attorneys. Thank you.

**ADJOURNMENT**

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

Respectfully submitted,

Chad Saylor, Chief Clerk