



DAUPHIN COUNTY BOARD OF COMMISSIONERS
COMMISSIONERS' WORKSHOP MEETING
WEDNESDAY, JANUARY 31, 2007
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/Chief of Staff; Guy Beneventano, Esq., Assistant Solicitor; Marie Rebeck, Controller; Bob Dick, Treasurer; Steve Shaver, EMA Director; Elke Moyer, Human Services; Tom Guenther, Director of Information Technology; Faye Fisher, Personnel Director; Leila McAdoo, Solicitor's Office; George Connor, Economic Development; Dave Schreiber, Personnel; Kay Sinner, Personnel; Brooke Beard, Personnel; Gary Serhan, Deputy Controller; Scott Burford, Deputy Assistant Chief Clerk; Carolyn Thompson, Court Administrator; Randy Baratucci, Purchasing Director; Edgar Cohen, Facility Maintenance Director; Kacey Truax, Commissioners' Office; Lena Martinez-Fure, Commissioners' Office; Richie Martz, Commissioners' Office; Dan Kern, Schaffner Youth Center, Director; Dan Robinson, Economic Development Director; Brandon Handwerk, Intern; and Julia E. Nace, Assistant Chief Clerk.

GUESTS PRESENT

Vaughn Stebbins, JMT; Yoanna Overter; Ella Aloya; Steve Levan; Garry Lenton, Patriot News; Joe Wingert; Nick Borris; Erica Bryce; Tom Smida, Mette, Evans & Woodside; Chuck Zwally, Mette, Evans & Woodside; Dan Lispi; Leo Daly; Esq., Grogan & Graffam; Andrew Giorgione, Buchanan Ingersoll & Rooney

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: There are not any meeting minutes for approval.

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. Joe Wingert: I'm Joe Wingert with the Labor's International Union in North America. I have a couple questions on this SWAP Bond transaction. Is there an engineer in place, regarding the \$14 million or whatever that they are swapping out, that has a set of plans in place that indicates what it is going to take to fix it or is this what they are just guessing at that it will take another \$14 million to get it up and running?

Mr. Haste: No, Covanta, the new company that is taking a look at it and they have their internal engineers or their engineer looking at it. Last week there was an opportunity to get \$14 million by doing this SWAP. All indications that we got from Covanta was that is not enough to do the job and they gave us the letter last week saying that the additional dollars above the \$14 million they will pay for.

Mr. Wingert: We would like to be a participant in this and have a chance to bid it but we want a definite plan. I'm not saying that we're like the "shining knight" and make this thing run for that. We just want to make sure of that. Who do we report to and is there an engineer that says this is what it is going to take to make it run?

Mr. Haste: Covanta is doing their due diligence right now. They have indicated and I think they have been very truthful at this point in time that \$14 million will not cover it but they have also said they are willing to pay the difference between whatever the project is.

Mr. Hartwick: I've been an advocate to try to get local folks to work with our local contractors. I think with skilled laborers we can be assured of the outcome.

Mr. Wingert: We just want an opportunity. We don't want to head into it blindly. Before when we put a number to it and everybody says we can't afford to do it that way, all they were saying is it is not going to run for the number they are giving you because there was not a definite set of drawings. It was just a guess.

Mr. Hartwick: In my conversation with Covanta, I brought up that specific issue about whether or not they contract with local folks and local individuals to work and they assured me that they will do that.

Mr. Wingert: Thank you.

Ms. Gabbler: Good morning, my name is Bethann Gabbler. I'm the City Clerk for Harrisburg City Council. If I may I would like to read a letter from our President Vera Jean-White. I have copies for all of you as well.

The letter read as follows:

"At my Administration Committee meeting last evening, Harrisburg City Council discussed your letter of January 26, 2007. At the outset, you need to be aware that it was not until last Friday that this Council was informed at all about the \$14 million SWAP.

That being said, on Friday, City County received not only your letter but also a letter from the Harrisburg Authority, a copy of which is enclosed for your information, which briefly explained that the SWAP had been presented to the County Commissioners and that you requested that City Council consider a guaranty as well. Enclosed with the letter from the Authority were draft guaranty documents for City Council's official consideration.

At this time, City Council is not in a position to officially, or unofficially, make an informed decision on the off-market SWAP. What we will commit to is placing the SWAP guaranty on the Agenda of our February 13, 2007 legislative session at which time it will be assigned to the Budget and Finance Committee. The Budget and Finance Committee will then hold its committee meeting shortly thereafter to thoroughly review the proposal and move it forward quickly to an official vote on the matter as early as February 27, 2007.

I hope this satisfactorily addresses the concerns expressed in your letter. I will close by assuring you that City Council looks forward to working with you to reach a satisfactory solution to the incinerator problem-for the sake of all our citizens."

Sincerely,

*Vera Jean-White
President,
Harrisburg City Council*

Mr. DiFrancesco: I guess there were some people at the meeting last night that came back and reported to us what had taken place. I think it was expressed that there was some concern that some council members felt like we were almost pressuring them to move more quickly than what they felt was comfortable. I wanted to just stress the fact that was not our intent with the correspondence. In fact the correspondence was

certainly written with the stress that the clock is ticking and money is being spent but in no way did we want to push City Council's hands. They have been very clear in terms of wanting to gather information and make a good informed decision.

Ms. Gabbler: I don't think you see that reflected in this response.

Mr. DiFrancesco: Not at all. I just want you to carry that back and I would appreciate it.

Ms. Gabbler: I certainly will. Is there anything else that you need from me?

Mr. Hartwick: A letter of guarantee would be nice.

Mr. Haste: Is there anyone else?

Mr. Brookmyer: Good morning, my name is Brian Brookmyer, Executive Board Member, AFSCME Local 521. I understand that Covanta has informed you that they have looked at hiring or retaining local people. I wanted to say that we have 38 employees some of them with 32 years of service. What they couldn't operate is what Barlow gave to them. The project was failed and that was done by the Authority and those people who advised the Authority. I can say whomever takes over that those employees can and have proven themselves by taking the exams to operate that facility. They have not been given the opportunity. The same people that advised the Authority for Barlow are the same ones that advised not to acquire these employees. Another project that is going to be "Lispized" is going to be a doomed failure. Thank you.

Commissioners: Thank you.

Mr. Haste: Is there anybody else? (There were none.)

DEPARTMENT DIRECTORS/GUESTS

Mr. Haste: Dan, will you please come forward?

A. Dan Kern, Schaffner Youth Center Director

1. *Presentation on security enhancements for the facility.*

Mr. Kern: I'm requesting from the Board to give us approval for a timekeeping system that will be used with the monies that were unspent through the management contract at the Schaffner Youth Center through vacancies throughout the year. This system will allow us to wirelessly automate the systems that some of our shifts perform on a routine basis, give us accurate reports, making sure people are at their posts doing what they are supposed to be doing. Our 11-7 shift, our primary responsibilities are to conduct 15 minute bed checks and 5 minutes if a kid is under close observation. This will allow them to conduct their 15 minute checks by hitting a series of buttons located throughout the facility not only on the doors of each unit but also at different checkpoints throughout the facility to make sure that routine checks and supervision is occurring. The pipe has been downloaded on a daily basis and has given us accurate information that is in fact what is happening, a 15 minute bed check, etc. It is proved a proactive system for us. The last thing that we want to be dealing with would be somebody not performing their

routine checks and having a serious incident occur with a kid. It also gives us a management tool to insure that our supervisors are doing exactly what they are responsible for doing with highlighting incidences or anything worthy. There is very little labor cost. It is a wireless system. They are to be built to the wall. These units are run on a lithium battery and can run 24 hours a day. There is no down time. There is only 10 seconds for download. I think it is a real good tool to use and it is another way to enhance the security at the Schaffner Center to ensure the safety and security and accountability for the people providing the service.

Mr. Haste: How are you documenting the checks now?

Mr. Kern: Commissioner Hartwick is very familiar with the term "pencil whipping" they do 15 minute checks and just use a pencil to note that it was completed.

Mr. Haste: In their log?

Mr. Kern: On their log that is submitted to the supervisor first thing in the morning. Occasionally, we do pull the video tape to make sure that they are doing their routine checks but that is a lot of footage. This gives us an opportunity to view things on a regular basis to see if there are any exceptions to the rule. In fact, if you notice that the checks aren't being completed the staff members are going to have to fill out some significant paperwork to really make us aware why it didn't occur. Certainly, if there is continued missed assignments there needs to be some corrective action. It eliminates the pencil report that they do at the end of the day.

Mr. Hartwick: Just for some clarification, Dan and I both went to Catholic grade school and we share stories about knuckles being ripped by pencils.

Mr. Haste: You just need our blessing to go ahead.

Mr. Kern: Yes.

Mr. Haste: I think it is a good idea.

B. Dan Robinson, Director & George Connor, Economic Development Office

1. Presentation of the Dauphin County Consolidated Plan for FY2007-2011 and the 2007 Dauphin County Action Plan to be submitted to U.S. Dept. of Housing & Urban Development. (****A VOTE IS REQUESTED 1/31/07*)

Mr. Robinson: We have on today's agenda which I think you are aware of, Dauphin County's Consolidated Plan for 2007 through 2011 and the 2007 Action Plan, which are required to be submitted to HUD on February 1st. The 2007 regulations with Block Grant and HOME Program and the Consolidated Plan prepared by Tri-County Regional Planning, our office DCED, and JMT Consulting Group out of York. The Consolidated Plan for 2007 assesses the housing needs for low and moderate income households, homeless families, and individuals with special needs. The Plan also addresses community development, affordable housing, homeless activities with federal financing and statistical information detailed throughout Dauphin County. That was compiled

through the Housing and Redevelopment Authority, the Harrisburg Redevelopment Authority, Dauphin County MH/MR, the Capital Area Coalition on Homelessness and the YWCA of Greater Harrisburg. With me today is our Block Grant Coordinator George Connor and Vaughn Stebbens of JMT Consulting Group if you have any questions.

Mr. Haste: Who is going to monitor the Plan over the next year to make sure that what we put in there is acted upon?

Mr. Robinson: The Plan is and of itself a plan. It is not rigid in terms that we, the County Commissioners, cannot change the Plan if our needs change. We will be the monitoring agency along with HUD through the County.

Mr. Haste: Okay.

Mr. Connor: Basically the Plan guarantees our funding. So basically, we are bringing money in by approving this from HUD.

Mr. Haste: Are there any questions?

Mr. DiFrancesco and Mr. Hartwick: No.

Mr. Haste: Is there a motion to approve the Dauphin County Consolidated Plan for FY2007-2011 and the 2007 Dauphin County Action Plan to be submitted to U.S. Dept. of Housing & Urban Development?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the Dauphin County Consolidated Plan for FY2007-2011 and the 2007 Dauphin County Action Plan to be submitted to U.S. Dept. of Housing & Urban Development.; motion carried.

Mr. Haste: Steve, please come forward.

C. Steve Shaver, Emergency Management Director

1. Update on Emergency Communications System.

Mr. Shaver: I want to give you a quick update on EMA for the last year looking over some of the things that we've accomplished and also giving an update on the radio project. The Board will be presented with, if they have not already been presented with, the next requirement as far as the cost associated with it to Motorola. Very shortly, we will be passing on requests for funding associated with the microwave system to actually interconnect all the sites.

We are divided into three groups within EMA as you are well aware, operations, the 911 center and of course our IT staff.

Basically operations was involved in the June/July flooding which we actually activated the Emergency Operations Center. It is an ongoing process as far as the South Central Pennsylvania Terrorism Task Force is concerned. We are also involved with what they call their Incident Management Team which is tied into the National Emergency Management Response Plan. We actually activated that on two occasions for the

region and our staff was sent to Susquehanna County for flooding and also to Bart Township for the unfortunate shooting that occurred there at the Amish School House. Along with that we were involved with the Halifax Tornado. Our team was there and our operations group actually takes care of the Hazardous Materials Response Team. The duty officer responded to 43 calls. Our full team was out to one call. The total personnel hours which includes both volunteer and employed folks within the County was 291 hours accumulated.

We were assisted by our assessment folks with damage assessment at both the flooding and also the tornado in Halifax. The operations group continues to attend and conduct internal and external training for both our local emergency management coordinators and also their skill sets. That is the list of exercises we actually participated in for the agency throughout this past year.

Another very important portion and function of the agency is actually the planning piece. We reviewed over 150 different plans which include SARA facilities, our own operations plan for the County, a plan that was developed the Pennsylvania State Police for the Three Mile Island location and also all our political subdivisions. The folks in the field that are basically our eyes and our ears are local Emergency Management Coordinators. We got to see how those folks function not only through the drills and exercises but also unfortunately through actual incidents. The latest being the incident in Halifax Township. As I said before those folks in that area responded magnificently and it is an attribute to our local emergency folks not just emergency management but also the first responders in that particular area. What we try to do is give them the tools necessary. This past year through funding and grants we were able to give them pagers to their deputy emergency coordinators, we provided of course the local training per the PEMA requirements and also we assisted the local emergency management coordinators with the actual typing of NIMS facilities are concerned. Additionally, we always support the South Central Pennsylvania Group for their task force.

Mr. DiFrancesco: Steve, please for the audience could you let the people know what NIMS is?

Mr. Shaver: Yes, the other portion is the folks that are the backbone and the largest portion of the organization. That is our Emergency 911 Center or Enhanced 911 Center. This year they have updated both the fire and the emergency medical services standard operating guidelines. They established a police steering committee to actually look at those standard operating guidelines for police. They participated in the new County Child Abduction Team and they assisted with the development of those guidelines. We are fortunate that our Center is one of the only ones in the area that is actually certified by the National Academy of Education Doctorates Certification (NAED). We concluded as a requirement under the Pennsylvania Emergency Management Agency our Triennial Plan for 911. We also successfully implemented and developed a program – a lot of places both police, fire police and EMS folks come into the Center and go on tour. We developed a program through our QAQC folks to provide them with an overview of the Center when they come in so it is not more or less

depending on who gives you the tour, you now get a structured tour of the facility. Along with that we developed, to try to get the folks in the 911 Center for telecommunicators, more training outside the classroom setting and develop some online training that they take at their consoles when they are not busy with actual 911 calls.

One of the things that is very important to the Agency is the public outreach and the touching and feeling for our customer base and that is all of the citizens of Dauphin County. The 911 Center is an ideal setting for the development of a public outreach program for Dauphin County Emergency Management 911. The Emergency Communications Center shift managers participated in regional meetings in groups with their peers to discuss ongoing issues on the 911 community. We participate in the South-Central Task Force or South-Central Terrorism Task Force, subcommittees, communications and our responsibility as fiduciary agent and participate in the Executive Committee meetings. We participated and staffed Act 56 Hearings. Act 56 is the actual legislation that governs and guides 911 in the Commonwealth of Pennsylvania. We participated in Crisis Incidents Stress Management teams and the TERT. TERT is a new term which was developed after the unfortunate incidents in the Gulf Coast area whereby telecommunicators go out and respond to assist local communities when their telecommunicators are involved in an incident or unfortunately where they lost their homes, families, etc. It is an ongoing process as far as some of the national associations are concerned.

The public relations piece, we are involved in the night-out functions in both Lower Paxton and Susquehanna Townships. Lawnton Fire Company has an open house that we participate in. We work with other county agencies and continue to work with human service folks reaching out to folks in need. The first call is usually made to the 911 Center under the guidance of Commissioner Hartwick's group and Jack Harlacker from my staff developed a response card system for first responders in the field.

Last is the expensive unit within the organization, not that they are not expensive, however technical systems is the group overseeing the radio project. They assisted last year with the upgrade or the development of the triennial 911 plan. They were involved in a computer dispatch which is the system that is used to dispatch the public first responders to the public incidents. That's what CAD stands for which is a major undertaking. We install additional and new server equipment for the computerized dispatch upgrade. With participating in the police report and some management of the system it appears that most major police agencies are now involved and they hope during the second quarter of this year to request a proposal. The biggest and largest function this past year was the actual successful staging of the radio system with Motorola.

The radio project update, we continue to be on track and continue to be on budget. There are no issues associated with the arbitrage which is basically tied back to the funding stream for the bond issue. We're spending funds as required. There should be no penalty. The County should not be exposed to any liability. Communication site

work continues. We did acceptance at the Motorola facility in Shamburg. (Mr. Shaver showed visuals of some of the sites.) Photo of the Middletown Communications Center and construction; Conewago Township site, currently being used by the Sun Pipe Line and we will be putting a shelter on the rebar area once the pad is poured; the Derry Township site, fortunate enough to do an Intergovernmental Agreement with Derry Township and also some documentation that our Solicitor's Office drafted for us. We will be putting in equipment and a tower and it will be a joint used facility between ourselves, the Township of Derry and the Hershey Entertainment Resort folks. (Mr. Shaver showed pictures of the equipment which is the backbone on any radio system and pictures of the participants.)

Are there any questions?

Mr. DiFrancesco: I didn't see any pictures of snakes in any of those shots.

Mr. Shaver: We're trying to stay away from them.

Mr. DiFrancesco: For any of you that may have been here in the past for presentations of why this radio project is so critical, the shelters as they currently exist before they were upgraded, you never knew what you were going to find when you walked out there to do work and service them.

Mr. Shaver: The photos are actually in Chad's office.

Mr. DiFrancesco: Little critters and high electronic things don't usually go well together.

Mr. Shaver: It is just like anything else. One thing that I would like to do is thank the Board of Commissioners for your support over the past year as far as the projects and programs that we have taken on. The other thing as I said many times, the agency is larger than I am and the folks that support us like the other department heads within the County, Solicitor's Office and yourselves. We would like to thank you for your help and thank my staff for their assistance.

Mr. DiFrancesco: One thing for the record, it is not just what they do within the facility every day it is also the ways they reach out to coordinate the volunteers, the police service, the police fire and the EMS. When there is a need out there our guys really step up and try to facilitate whatever might be going on. When the EMS Council was back together re-energized it was done through the efforts of a lot of staff working behind the scenes. Our guys are out there working. Most of them not only sit behind a desk at EMA, they are also out in the field doing something, whether they are riding on an ambulance, whether they are riding on fire equipment or they are working with hazmat, these guys live this. It is truly their life. We are very lucky to have such good people working for us.

Mr. Shaver: We are definitely blessed with the staff that we have. It was in place before I got there.

Mr. Haste: Thank you, Steve.

PERSONNEL

Ms. Sinner: I have one salary board item. Are there any questions on that? It is an interim fill position at the Prison. Their current administrative assistant is retiring in August. This position is to hire and train a replacement for her. Once Donna retires then the person will be transferred into her position and the interim fill position will be eliminated.

Mr. Haste: When does he actually want to bring a person on?

Ms. Sinner: Probably not until March until we can actually recruit, interview and fill the position. I don't think it is going to make the February window which is the 14th and 21st.

Mr. Haste: Are there any questions?

Mr. Hartwick: Just the position will be eliminated once the person is back, correct?

Ms. Sinner: That is correct.

Ms. Sinner: Moving onto the personnel packet. Are there any questions on any of the items presented in the packet?

(The revised 2007 Non-Union Salary increases court related and non-court related departments were addressed in Salary Board. A copy of the complete Salary Board Minutes are on file in the Commissioners' Office.)

Mr. DiFrancesco: I have a question on policy. What is the County's policy in terms and I know we have criminal background checks done on all people who apply. Is there a formal policy on who can be hired and does that, for instance, if somebody has a series of outstanding warrants or something along those lines, do we at the point of hiring them make them correct that action that is still outstanding or are we silent on that?

Ms. Fisher: There is no formal policy right now on criminal acts. In answer to your question, if a person has a warrant we want them to satisfy the warrant before starting.

Mr. DiFrancesco: Do we make that mandatory?

Ms. Fisher: It is supposed to be up to the department director.

Mr. DiFrancesco: Likewise if somebody has more serious offenses in their background does that again fall on the director?

Ms. Fisher: Right, we would look at the nature of the offense, whether or not the applicant listed the information on their employment application and we would look at the job that this person would be hired into.

Mr. Haste: Some departments where they are forbidden because of the nature of whether it would be prison, etc.

Mr. Saylor: Just for the record, under the new hires, the one full-time position that I saw was for the Prison. I did contact the Warden regarding that. The window opens as you know on the 21st. The Warden replied to my inquiry by stating that this particular office, the Treatment Department, he is understaffed. He has a number of folks, one on maternity leave, a couple out on FMLA issues, another one getting ready to take maternity leave and one is in training. So he is short staffed in this department. He asked for basically ten days worth of consideration for the window. That is the response that he gave me. I didn't run this past the committee but unless there are other concerns, it seems like a legitimate request to me.

Mr. Haste: The Treatment Department has had a unique year with some of their employees. They have had to struggle to keep the staffing level up.

Ms. Sinner: One item, vacancy #13, I would like to request approval today so we can get that posted and hopefully be able to hire one if not two people in the next window to fill that vacancy. That is item #13 in Security.

Mr. Haste: This would be for posting?

Ms. Sinner: Yes.

Mr. Haste: Is there a motion?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve item #13, Security, in the vacancies; motion carried.

PURCHASE ORDERS

Mr. Baratucci: Nothing out of the ordinary in the packet. From my point of view, it is there for your review. The budget issues will be resolved before next week. If you have any questions, I'll try to answer them for you.

Mr. Haste: Are there any questions?

Mr. Hartwick: No.

TRAINING PACKET

Mr. Haste: There is nothing that needs approved today.

ITEMS FOR DISCUSSION

Mr. Haste: We have items for discussion. Is there a motion to approve item A?

- A. Pennsylvania Emergency Management Agency Hazardous Material Emergency Preparedness Grant Agreement for Dauphin County Emergency Management Agency in the amount of \$4,542.00.
(*A VOTE IS REQUESTED 1/31/07)**

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve a Pennsylvania Emergency Management Agency Hazardous Material Emergency Preparedness Grant Agreement for Dauphin County Emergency Management Agency in the amount of \$4,542.00; motion carried.

Mr. Haste: One of the things that we didn't realize when the nursing home was sold, the Coroner had an arrangement with the nursing home to piggyback onto their contract for the disposal of certain medical and infectious waste materials that he deals with. When that happened the Coroner was without a contract. We were able to contact PrimeCare at the Prison because they also have a contract, so the Coroner was able to piggyback there. This came in at a very good savings versus what Graham would have if he went on the market for it. Is there a motion to approve Item B?

- B. Infectious Waste Disposal Agreement between Dauphin County Coroner's Office and PrimeCare Medical Inc., Term: 02/01/07-06/04/07 \$277.76/\$69.44 mo.; 06/05/07-06/04/08 \$858.24/\$71.52 month.
(*A VOTE IS REQUESTED 1/31/07)**

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve an Infectious Waste Disposal Agreement between Dauphin County Coroner's Office and PrimeCare Medical Inc., Term: 02/01/07-06/04/07 \$277.76/\$69.44 mo.; 06/05/07-06/04/08 \$858.24/\$71.52 month; motion carried.

- C. Approval of a Radio System Maintenance Contract between the Dauphin County Emergency Management Agency and Capital Area Communications. Service contract term: 02/01/07-01/31/08 with annual amount of \$80,797.24. **(***A VOTE IS REQUESTED 1/31/07)**

Mr. Haste: Is there a motion to approve the radio system maintenance contract?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve a Radio System Maintenance Contract between the Dauphin County Emergency Management Agency and Capital Area Communications. Service contract term: 02/01/07-01/31/08 with annual amount of \$80,797.24; motion carried.

Mr. Haste: Item D, I'm going to ask Jay to come forward.

- D. Adopt Resolution No. 3-2007 regarding a SWAP transaction in reference to the Harrisburg Incineration.

Mr. Wenger: You have for your consideration this morning a resolution which is numbered on the agenda as #3-2007 entering into an interest rate management agreement with as recited here Royal Bank of Canada (RBC) and the Deutsche Bank in an effort to produce approximately \$14 million in proceeds and what is a term of off-market interest rate SWAP in connection with 2003 Bonds. The notional amount of the SWAP would be \$96,480,000. The start date of cash flow on this particular SWAP would be 2011 at the termination of the existing SWAPS and will run through including the end of the 2003 loan which is December 1, 2033. The proceeds will be applied towards the capital expenditures and improvements to the resource recovery facility. As you are aware too, the extent that the \$14 million number is not adequate to fund the final budget, I believe you have a commitment from Covanta to provide financing in some form or source for the balance of what their capital budget needs would be. This resolution is in many ways consistent with the existing transactions that you guaranteed. The primary difference in this transaction at the moment there is not a City guaranty ahead of the County guaranty. As you received a letter earlier, City Council will at least consider it as part of their agenda items in February for consideration in late February. The County is not guaranteeing termination payment event risk in this transaction which again because it is an off market SWAP you are essentially providing a loan to the resource recovery facility or in this case the Authority. Termination payments because you are up-fronting \$14 million of cash would be very sizable so from your prospective of risk not guaranteeing the termination payments is a significant consideration in the transaction.

Once the documents are filed and we have an acknowledgement from DCED that they have been filed and received in accordance with the Debt Act, we can enter into a formal pricing with counter parties. At this point in time both counter parties will agree to the same terms and conditions. You will get separate documentation from two different counter parties being RBC and Deutsche Bank but the terms will be consistent throughout those two documents. The pricing of today by way of interest rate in the marketplace is inclusive of all expenses at the transaction about 5.75%. To put that into context in order to generate \$14 million is somewhere in the range of 185 to 200 basis points off of what would be the market rate for a fixed rate SWAP for the same terms. That is what it takes to generate \$14 million in proceeds. Obviously, interest rates change daily so that number could be higher or could be lower at the point in time that we actually price it. But that is approximately where we are today.

The documents have been reviewed by County's Council, Mette, Evans & Woodside and also have been drafted and reviewed by Buchann Ingersol. In connection with this transaction, we have prepared an interest rate management plan which is very consistent with what you have seen in the past by way of text. The primary difference is

the amount that is outstanding from year-to-year. So that is kind of your maximum exposure in this transaction. The County is guaranteeing just the periodic payments or the semi-annual cash flow if that were to be an outcome somewhere down the road.

Mr. Haste: If we don't do that there is really a bigger issue for the providers?

Mr. Wenger: Yes, it is something they have to be comfortable on the credit process on their side. Because this transaction is not secured by receipts and revenues of the Resource Recovery Facility, I think it is an important credit consideration from your perspective as well as theirs. I just wanted to highlight that issue.

Mr. Haste: If we do this, there are still other fine points that need to be worked out and there needs to be other documents?

Mr. Wenger: That is correct. What this does is authorize really the parties involved in the transaction to get to a point where we can get back with clearly final documents any point where we can comply with DCED and establish a pricing date and then a closing date of which proceeds would be forwarded to the Authority for their project.

Mr. Haste: So there are still outstanding issues, say between us, the Authority and the providers?

Mr. Wenger: They can be negotiated.

Mr. Haste: We would not be committed to something that we're uncomfortable with?

Mr. Wenger: That is correct. It also does not preclude City Council from considering a guarantee ahead of you as the other SWAPS are and that being inserted at some point subsequent to this approval. What you have really done is accommodate the Authority's request by cash flow on a fairly expedited basis but you have not cut yourself out or precluded other terms and conditions from being negotiated post today.

Mr. Smida: I do want to point out that the form of the resolution that has been presented today differs from the version that was presented to you last week. It specifically addresses the fact that there will be no guarantee of the termination payments. But it also does approve the substantial form of what is being styled the affirmation and supplement of the County's SWAP Agreement as well as the affirmation and supplement of a reimbursement agreement as between the County and the Authority at this point. The same mechanisms and protections that we built into that agreement prior to last week's meeting would be applicable to this resolution as well.

Mr. DiFrancesco: Say we vote on this today, we have the transaction underway let's say for whatever reason because it is a big unknown, February 15th rolls around, Covanta does their study and in fact it turns out that it would take a significant amount of more money than what this \$14 million will allow. They determine at that time that in fact they don't want to bring that level of money to the table and they walk away from this deal,

what does that leave us with this agreement hanging? Have we now borrowed the \$14 million and what happens in the transaction?

Mr. Smida: Unless and until we close on the interest rate management plan which as we pointed out there is not a certain date set for that because we do have to prepare and make a final document with the Department of Community & Economic Development. Unless and until that contract is signed, there is no commitment on behalf of the County to go forward and that is clearly one of the things that we would have to work out prior to making that final and going forward to closing.

Mr. DiFrancesco: Do you have any idea of what the time table would be? How long would it take that we would need to commit?

Mr. Smida: For Covanta to give us the number or for us.....

Mr. DiFrancesco: For us.is there a specific date set?

Mr. Smida: There is not at this point.

Mr. DiFrancesco: Who controls it?

Mr. Wenger: Essentially you do. You could make it a condition that you want to see the Covanta plan to make sure the letter that they have issued to you says that they will cover any difference is in fact a viable and committable option. From our side it is a matter of days until we do the filing and getting acknowledgement from DCED that they have received it. Unlike direct debt of the County or General Obligation Debt there is not an approval process with DCED just an acknowledgement. So that is a much shorter process days as opposed to weeks for issuing General Obligation debt. As early as the early part of next week be prepared to actually establish the pricing. Up until the time we have set the pricing you have not obligated the County to anything. Once we have entered into a pricing agreement, we have contractually agreed to the arrangements. The closing is a forgoing conclusion at that point.

Mr. Haste: Is there a way that we could require that pricing agreement is acted upon that it comes back to this Board for final approval?

Mr. Wenger: No, it wasn't but. Sure I would like to have the answer. You went a different direction than what I was expecting. So let me restate that. You're saying that we would come back to you one more time before final pricing?

Mr. Haste: Correct. What I'm trying to get at, if we approve it today, then on the 15th or sometime after the 15th is when the actual pricing arrangement is made.

Mr. Wenger: Yes, there is no....the only thing that drives pricing is the Authority's request for money is a fairly pressing matter. From the Authority's perspective the sooner we get to a closing the better for the Authority. From your perspective if you

really do want to see the Covanta report before we price that can be a condition of how this transaction proceeds.

Mr. DiFrancesco: You're saying the Authority is sort of under the gun and they are pressed for money and why is that if they don't have a plan?

Mr. Wenger: Because they have a facility that is not operating and they are, this may be crude, if you had a house and the roof was leaking you could assure yourself that you're going to spend xxx amount of dollars to repair the roof. What you don't know is how much damage might have been incurred to the structure by virtue of water coming in over a number of weeks or months. That maybe over simplified; but I think what Covanta has identified is some shortfalls in the technology and the engineering that need to be remedied quickly. What they haven't defined absolutely is kind of start to finish what those costs and expenses and details are going to be. I can't speak for Covanta, that is a layman's interpretation of the process.

Mr. DiFrancesco: I would like to know from the Authority's people who are here what is going on there right now in terms of how much cash they are operating on, where that cash is coming from and what steps are being taken right now to correct as you mentioned things that they may be able to correct outside of a major engineering overhaul.

Mr. Wenger: Except what we heard last week from the rep from Covanta that they have done some things to get boilers I & II up and running at a reasonably and efficient level of capacity. I don't think anybody at this table is in a position to....

Mr. DiFrancesco: I'm curious as to where the money is coming from at this point and where the Authority stands financially and how far through this process can they actually take it before they need this money.

Mr. Wenger: I believe Dan is here. Dan can you address that?

Mr. Lispi: I don't think I can give you a complete answer to the question that you're asking because I'm not in possession of exactly what the Authority's resources are. I do know that whatever revenues are being generated by the plant now by virtue of the operation boilers I & II including steam, electric sales, tipping fees, etc. come to the Authority and are available for the payment of operating costs. I think that it is logical to assume that whatever revenues that the Authority receives could be made available to Covanta for the payments. Obviously the situation with the Authority's revenues is not good because of the lack of all three boilers operating at the same time and in the extended period of time during 2006 where revenues fell short. Clearly there is, I think a serious situation involving revenues but I don't have exact figures to give you to tell you exactly numerically what that is.

Mr. DiFrancesco: You said nobody can speak on behalf of the Authority at this point? Nobody is here that can speak on it?

Mr. Giorgione: Right now the Authority is using revenues from the plant and existing cash that they have on hand in working capital accounts, etc. to make payments. The way the agreement works with it was a ninety day agreement, payments are made twice a month on the 15th and the end of the month for existing reserves, the Authority made the first payment to Covanta mid-month and they have another payment due today. I don't actually know the answer to the question, if they are making that payment today. If they do make it, I assume they will be making it from existing funds and operations.

Mr. Hartwick: Don't you think it would have been a good idea based upon the nature of this particular deal and how important it is to have a representative from the Authority here today? This is obviously the number one project and the most important thing related to the Harrisburg Authority. They certainly should be represented here and provide answers to this Board related to this transaction.

Mr. Giorgione: I did ask the question several times.

Mr. DiFrancesco: Having somebody here is a given. That certainly is not our responsibility if they are not here.

Mr. Giorgione: Maybe it wasn't clear that Mr. Amber should have been here.

Mr. Hartwick: It is their project.

Mr. DiFrancesco: The foundation that we're going on right now today, the \$14 million that would be generated with this transaction, what is the foundation of that number? Clearly, there is not an engineering study so what exactly...how do we come to that number?

Mr. Giorgione: There are not complete final engineering studies. Before Barlow was removed from the site they had put together a fairly extensive binder of the work that was remaining to be done at the facility and also include with that some engineering work and included in that was some pricing to complete the work, certain equipment that they felt needed to be replaced and they already priced out and called vendors, etc. That was contained in that book which is in the possession of the Authority and which has been provided to Covanta for purposes of their review.

Mr. DiFrancesco: But in reality...

Mr. Giorgione: But it is not final.

Mr. DiFrancesco: In reality, it is information provided by somebody who was basically unable to carry forward the project that they had engineered on a timeframe basis or a budget basis. So those numbers may or may not have any bearing on reality.

Mr. Giorgione: That is correct, although as I talked about it at the last hearing several months ago probably at this point we're talking four months ago, Barlow was still attempting to put together a private financing deal to complete the plant. The entity that they were talking with they have gone so far as to engage in an independent engineer, this is the funding company that came in and did a thorough review of the plant and issued an engineering report that sort of backed up what Barlow had estimated. In addition, there was another company that has an interest in the plant, one of the utilities that had sent somebody in that did a review and they indicated the same that they felt the estimates were reasonable based on their review. Again, I think you are right on what you say but they are doing it without the benefit of final engineering. It is complete and Covanta has given indications that they believe by the 15th they'll have a full report with final engineering in place available. I would note and I don't think the 15th ends that analysis or discussion because I don't think the Authority is going to take that document on the 15th and go "great this is the plan to finish the plant". Certainly there is going to be a venting mechanism there and certainly I think the Authority anticipates on that date that there are going to be certain things on that list that they may go back to Covanta and say "guys if this stuff can be done over the next year or so with revenues being generated rather than having revenue generated upfront used for it maybe we could be looking at things like that." I don't know but I think there is going to be a lot of discussions. It may even come down to things like they call redundancy which is how much equipment do you have sitting in the shops? The plant doesn't have that redundancy right now. That is not a good thing. The question is, how much do you have? Do you have multiple pumps, etc. I think there is going to be some discussion back and forth before that is complete.

Mr. DiFrancesco: Based on what we know today, I know that the amount of money that has been lost is really the pressure that everybody is feeling in this transaction. Every day that we sit, money is being lost. What I have learned over the past several months actually, but certainly over the past two weeks is we don't have a firm engineering plan. We don't have a firm plan moving forward and we know that Covanta has come in and taken steps to do the best that they can in terms of bringing those boilers up to speed as best they can getting them up to 80% or whatever it is on the two that are there. What I also know is that until they bring about that report on the 15th or there about, we can't move forward with any firm action in terms of trying to bring the third boiler up to speed or really anything to get us to where we need to be.

Mr. Giorgione: The principal amount of the money is really going to go towards that boiler. That is the one that needs the most work.

Mr. DiFrancesco: There is going to be no activity done on that third boiler until this study is done and subsequent studies are done. My point today is while I realize this County absolutely has to continue to be a partner in this operation and the financing of this operation, there is no way that we can allow this to fail because the impact on all of Dauphin County would be incredibly severe. My concern is that we are moving a little too quickly in signing this agreement. I would like to see us put that off certainly until City Council has had the opportunity to see the report and until we have had the

opportunity to see the report, and Council has had the opportunity to act. There is not a question in my mind that we have to continue to be a part of this. We should be a part of this. At the end of the day, if we can get this plant up and operational it is going to be a very good thing for Dauphin County. I simply do not believe that we're ready today to enter into this transaction nor do I see a pressing reason why we should enter into this transaction today. Two weeks from now the picture could look completely different and we all could have a little bit more confidence moving forward. I said it last week very clearly for the record that until Council acts and Council has been given the opportunity to accept their responsibility or pass their responsibility which ever they chose, I can't see us moving forward on this transaction.

Mr. Giorgione: I certainly understand everything that you're saying. From the Authority's perspective, I think the way they are looking at it is when we reached a point where the Authority needed to move away from Barlow. They weren't going to be able to finish the plant. They have failed enough on several occasions and weren't going to be able to raise funds. The question became how do you raise funds, how do you finish the plant. Certainly, some of the private entities that run these plants out there are more than willing to come in and operate the plant on a long-term basis and invest funds into the plant, the problem is the cost to do that. They want a big return on their capital. That is what private industry is all about. Dan Lispi came up with the idea of working through the SWAP mechanism to raise funds, going off-market and raise funds, even though the interest rate is higher than what the market would bear otherwise, 5.75%. It is much lower than 15%. I guess the Authority's thinking was let's just get this money. Let's get working on the plant. Let's move forward and let's hope it is enough money to finish it. If it is not, what is the alternative and that is when we reached out to Covanta and said "would you be willing to invest?" They indicated again in writing that they would. I think the Authority's perspective right now is, they are really prepared to sign a long-term deal with Covanta. Talk about rushing into things. Covanta is saying, "we want to invest but we want a commitment right now". I think they want to see how Covanta runs the plant. They want to see how the work progresses. Certainly when this money comes, there is going to be public bidding because there are portions of this plant that have to be bid and that is all going to have to be done. I think it is going to take a little time to see how it shakes out and whether the Authority needs to look at alternative venues to come in and invest money and run the plant if money is needed. I just think the Authority's perspective on the whole thing is, it is such a good opportunity this SWAP, we need the funds, we know that we're going to need them. There are not a lot of other alternatives out there. Let's get this money and let's get the work going. Obviously, there is a dynamic between their position and obviously the County's position that you've raised.

Mr. Hartwick: I have a number of questions and comments. This is probably from my perspective one of the most difficult decisions that I'm bothered with since I've been a Dauphin County Commissioner because quite frankly from the beginning of our involvement with the process to the end until I've talked to Covanta and until I've actually did my own internal investigation I have no comfort level with trying to have the County involved with this project at all. It has been an albatross in the City of Harrisburg

since 1983 and prior. The steps that have been taken, the promises that have been made, our involvement in the past has never seemed to pan out, as a matter of fact, it not only didn't pan out, but it went in the opposite direction, even exposing us to additional liability. I also understand that in this job that I have an obligation to do what is right even in the face of a lot of mistakes, even in the face of many failures, even in the face of trying to not allow the City of Harrisburg because of this albatross to go bankrupt. Because quite frankly, if action is not taken the debt payments will not be made, the default is eminent and I think the County and the City will feel this impact on a large scale basis. That is why I'm extremely disappointed that the Authority is not here today. This is probably one of the largest transactions for the future of the City and for this region that is going to be discussed at any time. This room should be packed with citizens and the people who should be involved with this process to understand what goes on here. I want to commend first of all Chairman Haste and Vice-Chairman DiFrancesco for allowing us to have an open debate about this process and to allow us to express what our concerns and issues were. This is not going to be something that should be just run through Dauphin County. It is not going to happen. As the paper suggested, there needs to be a full and thorough look at where the mistakes were made and how we arrived at this point. Quite frankly, it is not a good place to be from the position of a public servant who is trying to make the most informed and best decision about the future of our region and taking into consideration where this project is going. I've been sleepless and restless since I've debated and thought about this. One of the things you heard from our friends of labor today is just one thing about the project is the idea that individuals in labor, particularly construction labor and labor trades, cannot do the job for the same costs and on time is absolutely an untrue myth. I guarantee if you would have entered into the project with those folks you would have things happening like at the Highmark Building. It is a perfect example. Highmark Building came in under budget and on time because we had skilled workers who were able to actually sit and utilize people who knew what they were doing and they ended up making sure the project was completed on time and under budget. With construction projects over and over that has proven that fact to be true. I want to make sure any consideration that I provide in this process will involve an open fair bidding process that includes the members of the building trades. You know what we talked about here and frequently in Dauphin County are budgets when you have huge liabilities that we face like Spring Creek Nursing Home. We debated that issue and we fall on different sides. But one thing that I can commend the Board with was an open debate. We had a realistic look at what the actual budget was. We knew what our costs and expenses were and we had a firm plan in front of us to be able to see what our obligations were as we move forward and we made informed decisions based upon what those real numbers were. Clearly in this project I sometimes feel like I'm asked to make decisions without having really clear and informed numbers and do that on the basis of a long-term commitment to the County. After saying that, I also note that if we don't act on this case, are we willing to put the Authority by the wayside. They are not represented here today. The County and the City are in a position of default which is an unattainable spot to be in. I'm clearly disheartened by the process. This should have gone in front of City Council immediately when the idea was brought forward. City Council should have had the opportunity to act or not act. We knew from the County's perspective that we were

going to be if all else failed the County will step up. I will make that commitment to do that. I'm not going to let the City go bankrupt. I'm not going to let the City fall under obligations. I will make sure that I would step up and vote for an interest rate SWAP or whatever mechanism it took in order to give the facility a chance. It is not an option here. Bankruptcy is not an option. We knew that was the case. The process went array. Now we find ourselves here. To be honest I believe from my discussions with Covanta and finally I feel that I've gotten some solid answers. This may be the only option. The only reason I feel halfway comfortable with this project is because we have a credible business that is willing to step in with a long-term agreement to try to turn this thing around. If not for that, I would not want to have any involvement. I'm just sort of talking out loud as I'm wrestling with this decision of saying, "what message do you send to Covanta if you table this; what message do you send if in fact we don't act; and with City Council, if I were City Council I be would saying thank you to the County, not saying the County should come in and take care of this obligation". The County guaranteed the obligation but ultimately it will have a huge impact on the City's budget first then the County's budget second.

If in fact, we do vote on this thing today there are a couple of things that I would like to see. The first one is, I would like to make sure that we are very open and a clear bid process is related to any construction of this. I would like to make sure that we have consideration of those building trade folks who need to be represented in this project. I would also like to make sure that we have Covanta's report because the management seems to sometimes be sort of the moving picture. I would like to make sure that the County is aware from the financial side, from the construction side, and from the operational side everything that is happening within that facility on a bi-weekly basis. I wouldn't even mind doing it formally in an open session so the public actually understands what the progress of the incinerator is. It's a very important thing that we know. This project is something that is a huge project and the impact to the region is equally as large. I also know that we have the opportunity even if we do act today to have City Council act to provide and move forward with their guaranty. I would ask and as public record request that I have for City Council to not only have the County as a partner but I feel City Council should also step up and be a partner and understand the obligation of this process and continue to get to the bottom as to why this project is in this current position. They should not run away from their obligation. Lastly there are a number of issues that I set forth in a letter to the Mayor a couple of weeks ago related to the actual amount of what the project would cost. We had that answer \$20-22 million versus the \$14 million that was being talked about in the SWAP. Covanta's commitment I think that concern has been somewhat alleviated. I know closing on this transaction is critical and important to this Board. Having Covanta committed to this project and final closing of this transaction is important.

I will talk about the need to take action to raise additional revenue when it relates to rates and tipping fees and all those things need to be addressed accordingly to generate and provide the amount of revenue necessary for this project to be run which continues to be an obligation. We need to have the City of Harrisburg enter into a long-term arrangement with Covanta Energy in order to satisfy which parties are competent

in their ability to operate that facility. Was there any opportunity in the capital budget to offer or ask for a state subsidy? When we talk about a number of other options and revenues sources, has anybody understood first of all the financial liability which they had to the City of Harrisburg? The City of Pittsburgh has been bought out. There has been a number of other state involvements in critical projects that have an effect on the future outcomes of cities. Steve Reed has brought the City to a place where it is economically viable. It is the second most successful in the country. We have a lot going on and a lot to do in the City of Harrisburg. But if this incinerator does not get remedied the future of the City of Harrisburg looks extremely bleak. In that position I think the issue is to collectively go out and try to seek a state subsidy and try to also offset some of the mistakes and challenges and problems that exist.

Other issues is a process and practice that was brought up to us as County Commissioners about individuals jumping the line ahead City trash trucks, haulers because this was a County project. I'm willing to move forward with this project. However it doesn't come without a lot of stipulations, a lot of work and without accountability. I would ask again at least be given monthly meetings. We're trying to take care of our obligations and swallow hard because this is not a good position to be in. To be honest it would be a bad decision not to act today and a bad business decision not to act today. With that being said with the things that I requested I hope to have those done and I expect the City to back their commitment as set forth by this letter to me. I expect them to be accountable to this Board in a way that is open and transparent so we can continue tracking the progress of this facility.

Mr. Giorgione: I wrote down the list of issues so I'll take them back to the Authority. Some of which has already been addressed, you're counsel has already negotiated in to the agreement some reporting requirements and oversight of the expenditure of the \$14 million, the review and rejection rights over the expenditure.

Mr. Hartwick: I want a member of the Authority, a member of the finance team, and a member of Covanta once a month before this Board providing an open trust plan and update as to what is happening at the facility.

Mr. Haste: The Resolution as is, is good for the County because it doesn't have the termination. That was a great concern for us. Are we however at a stalemate because if we pass this, do we know that we have providers that can go forward? Are we passing a resolution that doesn't do anything?

Mr. Wenger: We believe that we have at least one SWAP provider willing to do it on the terms of the resolution whether or not the second gets to that same conclusion we do not have an answer, yes or no. I think taking action today would make it very easy for those parties to commit or not commit. This issue really came up, I guess I was aware of it maybe Friday afternoon, so there has been a flurry of emails back and forth among the lawyers and the SWAP providers as to what the conditions are and what the language means so I would think that we can get this issue resolved very quickly. As to it preventing your ability to consider the resolution today, I don't think so. There are two

SWAP providers named in that resolution so if that were to change and it were one or another one substituted or whatever the fact pattern is we would have to come back and effectively amend the resolution; but that doesn't prohibit you from considering the resolution today.

Mr. Haste: I'm comfortable with two providers because one is able to watch the other. I get nervous when one may get out and ones left to do their thing. It seems when there is more than one involved things seem to get lower.

Mr. Wenger: Yes.

Mr. Haste: And in this case, I think it can be the better.

Mr. Wenger: Alternatively, if the County wanted to find another SWAP provider that's willing to do it on the same terms as RBC, and if you say we would really like to, we can try to do that. Our job frankly is to make sure the pricing is on the market. In our model we've compared it to theirs within a very, very modest discrepancy of interest rate. We are right on. So I think we can give you comfort and are required to give you comfort in closing by way of an Opinion Letter that the pricing is in fact on the market. But, yet it is your decision. If you are more comfortable with two, we'll work toward that end.

Mr. Haste: Another important part of this is the fees.

Mr. Smida: The fees have to be disclosed and are part of the interest rate management plan that gets filed.

Mr. Hartwick: So can we make it a requirement that there are two SWAP providers or else the deal doesn't go?

Mr. Haste: We can make any kind of requirements we want to.

Mr. Wenger: Yes, it is yours to approve. We can give you advice and give you our opinion and tell you what is in the market place but if you say you are more comfortable with two we'll work toward that end.

Mr. Haste: George and Nick are right, the awkward thing is where the County has been placed. I sit here and debate this. I would like to sit here and put it off until we've heard from Covanta and we had a final report. The thing that makes me nervous is I keep hearing and no one has changed this or said otherwise, I keep hearing that if we don't vote the City is losing about \$900,000 in revenue a month. We know that someone has to think of that loss. Whether it is comes out of the Authority's coffer or whether it comes out of the City's coffer because if we sit here now and did no action and it defaulted, it is actually the City that pays.

Mr. Wenger: That is correct.

Mr. Haste: We could sit here and say that we're not going to do anything and get involved in the playing game and not do anything and when it does default the City has to pay for it.

Mr. Wenger: That's correct.

Mr. Haste: We could pay for it. The bottom line is that no action means the taxpayers are going to pay for it.

Mr. Wenger: Regardless.

Mr. Haste: It's just which side of the pocket are we going to take it out of. Whether it is City taxes or County taxes, you're paying for it. One of the things that makes me want to move forward now is the concern for the taxpayer. There is already bleeding going on and I don't want to make it worse than what it is. Nick is right there is no real comfort level that is going to solve the problem. The other thing with not knowing for sure whether the SWAP providers who don't always play nicely together are able to move forward.

Mr. Wenger: I think we can get that issue resolved to your satisfaction over the next several days. Maybe it is not the two that are named but if you say we're very comfortable having two in there because that makes it a more competitive option, we'll work toward that end. If one of the two drops out that are currently looking at the document it will take us a few days to get another one in but I think what I've heard you say collectively is that while you are in favor of doing this transaction you're not looking for it to be done tomorrow so we do have a few days to try to resolve this matter if that is the way you want to proceed. On the other hand if you feel more comfortable knowing exactly who those two parties are and all the terms have been agreed to we can bring it back. It is your call. We'll do whatever you direct us to do.

Mr. Haste: I think it has been very clear even though each one of us sort of looks at this a little bit differently this Board of Commissioners will do what is right. Whether others take action or don't, we've done that before.

Mr. Hartwick: Why don't we table this until we come back with the appropriate SWAP providers, have the deal and transactions set right, having all parties agree to it, what the actual rates are going to be and then we make final approval from the Board at that time?

Mr. Wenger: Okay, just to make sure that we understand the direction is to have two providers in the transaction in the same general economic terms as we understand them today?

Mr. Haste: Correct.

Mr. Giorgione: It is my understanding today that you have two providers. There is one SWAP provider that has raised issues with the matter in which this is being done but my understanding is they are still part of the deal at this point. They haven't walked away from the deal.

Mr. Haste: If in fact we do this and one was to walk away, we no longer have checks and balances on the other one.

Mr. Giorgione: I want to note based on the resolution, if you approve that resolution today it identifies the two SWAP providers and if one of the SWAP providers walks away from the deal, we have to come back to you and bring you a new resolution identifying the new SWAP providers.

Mr. Hartwick: Andy, you understand the obligation we have. We don't like the position that we're in and stated it very clearly. Why don't we just get a comfort level of the transaction, get all the players together and we know who they are, bring it before the Board for final approval?

Mr. Haste: Can someone confirm or deny what I've been told is that we lose about \$900,000 per month and what we're really talking about here is every week is one-fourth of that?

Mr. Giorgione: If you do the simple math and said, you know we would like to generate \$2.4 million a month of revenues and if you have one unit down you lose \$800,000. I think you could do simple math that way. But it hasn't been that simple because the plant hasn't been operating that well. It has been started and operating very well at least two units recently but I don't know what the first month looks like. Today is the last day of the month, I don't know how it would project out. Obviously, we will have a better sense in February. We know where we're going and we'll know better by the end of March.

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board table the adoption of Resolution No. 3-2007 until all the players and right team has been put forward who understand and know the interest rates and be presented once the finance team has collectively done what the Commissioners have asked them to do today.

Mr. Haste: Because of the advertising requirements of postponing this it is my understanding if I keep announcing and saying that it will be on the agenda next week that meets our advertising requirements and we are not missing an advertisement and we have met our obligation to notify the public.

Mr. Smida: I would request that you formally say you're continuing consideration of this matter.

Mr. Haste: There has been a motion and a second to table the adoption of Resolution No. 3-2007. Any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: I will make a note to everybody that this item will be placed back on the agenda next week for reconsideration.

SOLICITOR'S REPORT

Mr. Beneventano: We have submitted a written report and are prepared to follow up on any questions or comments that you have and we have nothing to add at this time.

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR

Mr. Saylor: I have nothing unless you have any questions of me.

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. Haste: Are there any additional comments from the Board? (There were none.)

Mr. DiFrancesco & Mr. Hartwick: No.

Mr. Haste: I would like to note and keep the Board informed, the Prison Board some time ago had decided to move forward with the removing of the old dilapidated modules in the back of the Prison. That process has begun and they have all been removed as of yesterday with the exception of one. I suspect that one will be down by the end of this week. The back area where the modules were will be cleaned out by the end of the week.

PUBLIC PARTICIPATION

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

ADJOURNMENT

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to adjourn the meeting.

Respectfully submitted,

Chad Saylor, Chief Clerk

Transcribed by: Julia E. Nace, Assistant Chief Clerk
January 31, 2007