



DAUPHIN COUNTY BOARD OF COMMISSIONERS

Workshop Meeting

Wednesday, February 18, 2004 (10:00 AM)

MEMBERS PRESENT

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

STAFF PRESENT

Shari Eagle, IT; Kacey Truax, Commissioners; Jena Wolgemuth, Commissioners; Jen Kocher, Communications Director; Bob Burns, Chief Clerk; Bob Knupp, Solicitors Office; Jennifer Storm, Victim/Witness; Skip Memmi, DCED; Chip Vance, Solicitors Office; Sharon Ludwig, Personnel; Guy Beneventano, Solicitors Office; Noel Falk, Conservation District; Melanie McCaffrey, Solicitors Office; Garry Esworthy, Risk Management; Edgar Cohen, Facility Maintenance Director; Randy Baratucci, Purchasing Director; Mike Yohe, Budget Director; Greg Kline, EMA; Carolyn Thompson, Court Administrator; Diane McNaughton, Communications; Dave Schreiber, Personnel; Gary Serhan, Controllers Office; Bruce Foreman, Solicitors Office; President Judge Kleinfelter; Mike Pries, Safety and Security Director; Kim Robinson, Domestic Relations; Dan Robinson, DCED Director; Marie Rebeck, Controller; Bob Dick, Treasurer; Paul Muller, Public Defenders Office; Kelly Wolf, Solid Waste; Jack Lotwick, Sheriff; Faye Fisher, Personnel Director; Rita Frealing-Schultz, Domestic Relations Director; George Schultz, Public Defenders Office; Mark Gaspich, EMA; Mary Eberts, EMA; Richard Malwitz, Jr., EMA; Graham Hetrick, Coroner; Barry Wyrick, MH/MR; Heidi Doyle, Domestic Relations; Greg Schneider, Budget Office; Jim Szymborski, Tri-County Planning.

GUESTS PRESENT

Tania Sionjo; Matt Tunnell, Crossgates; Tom Powers, Crossgates; Dan Lispi; Paul Navarro, Navarro Engineering; Bradley R. Jones, Harristown Development Corporation; Terry Sneed, Open Stage of Harrisburg; Chad Saylor; Tim Reardon, Tri-County RPC; Chip Millard, Tri-County RPC; David Schulan, Russ Ford, Harristown Development Corporation; Shane Hassinger, Harristown Development Corporation.

MINUTES

CALL TO ORDER

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

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have four sets of meeting minutes that we will approve at next weeks meeting.

PUBLIC PARTICIPATION

Mr. Haste: We are at the point in time in this workshop for public participation, is there anyone in the audience that would like to address the board at this time?

(There was none.)

PERSONNEL

Ms. Sinner: Good morning Commissioners. In the Personnel packet, the first items are salary board requests. We have a request eliminating a Children and Youth Administrator. I'm going to go to the back of the packet, there is a salary board request for the Public Defenders Office, abolishing an Assistant Public Defender and creating a Chief Deputy Public Defender.

Mr. Haste: I noticed on the sheet, it doesn't say if it is creating or eliminating a position or replacing a position. What is it doing?

Ms. Sinner: There are actually several promotions that are taking place in the Public Defenders office. The Assistant Public Defender position is being vacated.

Mr. Haste: Right.

Ms. Sinner: So that will be eliminated. The Chief Deputy Public Defender position is being created.

Mr. Haste: Through all of the shuffle is there one additional person coming on board?

Ms. Sinner: Not at this time, no.

Mr. Haste: Okay, because that is not clear.

Mr. Hartwick: Could I just make one comment Commissioner Haste?

Mr. Haste: Sure.

Mr. Hartwick: I met with George Schultz yesterday and this was a result of Jim Zugay moving on. This is a result of everyone being bumped up a position and he assured me this is not going to exceed the budgetary salary request. The individuals who are all moving up a step are all clearly going to cost less than, when it included Jim Zugay's salary. This all happened as a result of him moving forward.

Ms. Sinner: That is correct.

Mr. Haste: If that is the case, then why do we need to create new positions because there are vacancies that they ought to be filling.

Ms. Sinner: The person that is moving into this position, they want another Chief Deputy Public Defender as opposed to simply an Assistant Public Defender. There is another Assistant Public Defender that is being moved, I can't remember if they are going into a Senior or Chief Public Defender, but they will still be an Assistant Public Defender after this.

This is all in the changes listing.

Mr. Haste: Right, and in there it says, one of the comments was on the New Hires, if the position is created by Salary Board.

Ms. Sinner: Paul Muller is here if you have any other questions, he can explain how many positions they have in that department.

Mr. Muller: I am filling in for Mr. Schultz; he had a cracked tooth and is at the dentist. It still is a total of 18 attorney positions in the office. The one assistant position that Thomas Clark fills right now is one that would be eliminated and changed to Senior, and Mr. Weitzman would fill the new Chief Deputy position. This would put us on par actually with the number of Chief positions with the District Attorney's Office as well.

Mr. Haste: Explain what is going on with Mr. Weitzman. The paperwork says current position, Full-Time Senior Public Defender, proposed position, Full-Time Chief Public Defender. So, he's moving from Senior to Chief?

Mr. Muller: That is correct.

Mr. Haste: So you are eliminating an assistant?

Ms. Sinner: Yes, Robert Daniels is vacating the Assistant Public Defender and becoming Senior Public Deputy Defender.

Mr. Muller: What happens is the new Chief position is created and the one Assistant position is eliminated.

Mr. Haste: Why don't you have George do this, because he needs to do it anyhow?

Mr. Muller: I'm sorry?

Mr. Haste: I said, to make it easier, George needs to do this anyhow. Give me the current organizational chart and the new proposed organizational chart.

Mr. Muller: Okay.

Mr. Haste: That will make it a whole lot easier.

Ms. Sinner: Thank you Paul. Then there are two Salary Board requests to create two Clerk Crier positions. One in Judge Clark's office and one in Judge Kleinfelter's office. These positions are being created by eliminating a Part-Time Court Crier, as well as, a Part-Time per diem Tip Staff Court Clerk. These positions are all vacant with the exception of the one per diem Part-Time Tip Staff Court Clerk, which is occupied by Clyde Roland; he is being transferred into this Clerk Crier position in Judge Clark's office. I don't know if Judge Kleinfelter is here? (He was not.) If you have any questions, you may talk to him. Attached is a memo giving the background on the reason for the request to create the Clerk Crier.

Mr. Haste: Right, now I talked to both the Prothonotary and the Clerk of Courts on this. A couple things, I guess first these are covered under the bargaining unit, is that correct?

Ms. Sinner: The positions currently are, yes, that we are requesting to be eliminated. A bargaining unit will not cover the Clerk Crier position and the new positions.

Mr. Haste: Do we have any contractual obligation to notify them of this?

Ms. Sinner: Yes, Faye Fisher is going to be meeting with the union staff representatives, they include AFSCME and the Teamsters. She is meeting with them on Friday, but we wanted to present this to you today.

Mr. Haste: Okay. I guess just a technical matter, if we do this, to vote to eliminate, we would need both Lowell and Steve to vote to eliminate, not to create. We need the

President Judge to create, but we need Lowell and Steve to eliminate. So, next week we will need them here.

Ms. Sinner: Okay. The last set of Salary Board requests are for Domestic Relations. There are actually seven of them. Seven positions being newly created. This is to form a tactical enforcement unit. There will be federal incentives, which would pay for the salaries of these positions. It's actually one Supervisor, two Conference Officers, two Enforcement Officers and two Department Clerk II positions. There are several pages explaining and justifying the need for this task force.

Mr. Haste: Could you (Ms. Schultz) come up and explain a little bit?

Ms. Schultz: Good morning.

All: Good morning.

Ms. Schultz: Domestic Relations, we now receive our federal incentive money, which is extra money in addition to the 66% reimbursement we receive for renting the office. They now base reward of the incentive money on our performance by categories. So we are actually competing with other third class counties. This is the year in the first part of this program where they are slicing the pie. I need this extra tactical force because I want to make sure Dauphin gets it's share of what's out there and that it doesn't go to Berks, Lancaster or York. It's a friendly competition. It is. But for years we had been critically understaffed until Judge Kleinfelter took over and had the foresight to see that in order for us to compete with Berks, Lancaster and York we needed to increase our staff complement. And even the state cited us in an audit that our staff limit was too low. For example Lancaster has 108, Berks is 96 and York I think is about 92. We had a staff complement to begin with of 58. So this would be the last, because we feel that this is where we hit the wall in adding staff and they won't be increasing our federal incentives anymore after this. The money is out there and I would like us to get it. One other thing when I was looking at these figures this morning. Our federal incentive money just for this quarter increased by almost \$30,000 dollars than what we got in last year. So if it keeps up at that, it should at the \$106,000 level, the teams already paid for. Any extra money next year would be icing on the cake. That covers their salary, new construction costs and all that would probably be paid for by any increase we receive in federal monies next year. They are predicting about \$150,000.

Mr. Haste: I remember this was brought up last fall.

Ms. Schultz: Yes.

Mr. Haste: We had a conversation about this. If I remember right, the equipment, the desks, the chairs the things you need to do to have people work. I believe you said that is also covered by federal dollars?

Ms. Schultz: Yes it is. 66%.

Mr. Haste: Okay and our cost is mid \$80,000 or \$90,000.

Ms. Schultz: Yes, but we look to recoup that cost in the extra incentives monies we already received this year.

Mr. Haste: Okay. I thought I remembered you telling me you had already factored in the equipment.

Ms. Schultz: Yes.

Mr. Haste: Okay.

Mr. DiFrancesco: Then the result is actually program benefits in terms of service at really no cost? The cost that we are recovering more than pays for the program that we are putting in place, so we can help the residents get better service and there is no additional burden on them to pay for that service.

Mr. Hartwick: Just one comment. I spoke to Ms. Schultz yesterday. I commend you for the way you are officially managing your office and going out and being sure that we are in a position to be eligible for all the funding that may come our way. Also, increase those services we need to have more directors who move in that direction. We want to commend you for your ability to manage your staff in that way. So, thank you for the proposal. I am always excited to see positive gain in income, revenue and increased services. Certainly, kudos to you.

Ms. Schultz: Thank you.

Ms. Sinner: In the vacancies listing, there are many positions that are requesting to be filled. The prison is hiring Correctional Officers. They hire several at one time, because they go through trainings. There are actually 11 vacancies for Correctional Officers, plus a treatment specialist. Schaffner is hiring several Youth Specialists, either Aides or Position I.

Mr. DiFrancesco: I wanted to speak about that. Traditionally we raised in previous meetings when we look at the overtime, really have not been able to identify the reason why so many vacancies have sat open for so long over there. We talked and tried to get a little bit of the history and the background. Just haven't really been able to identify the reason why, but the bottom line is Schaffner is one of the highest facilities, in terms of overtime usage right now. We will see a gain in terms of the budget costs, it will be a benefit to the budget through these hirings. We are moving forward aggressively to try and get a full complement of people out there so we can reduce that overtime because obviously it costs less to the County to use a full time person at single time, rather than pay that person overtime. We should see a benefit to the budget through these hiring's.

Mr. Hartwick: Just a few comments on that area. I know that in reviewing the budget we have about 1.35 million dollars budgeted in order to manage our vacancies in a way that we need to. The hiring of a large number of folks in those areas that have been critical in overtime, push us in that area to manage those vacancies. I just wanted to make a point that these hiring's we need to make sure we take an effective role in managing the overtime as a result of these new hiring's to ensure that those costs are certainly recouped in a reduction in overtime costs. We need to make sure that this is just not a complement of staff, to fully staff individuals and then the overtime costs continue to go at those rates. We need to take an effective role in making sure we manage all of those dollars and seeing the reduction in the overtime as a result of these additional hiring's. We will be taking a close look at that.

Ms. Sinner: Okay.

Mr. Hartwick: Thank you.

Ms. Sinner: With our new hires, I have a listing plus one new hire listed as an addendum. On my original listing I would ask that you pull #21. Also, Spring Creek has their orientation beginning Monday, February 23, 2004, so I ask that you would vote on and approve the Spring Creek hires beginning on page three, #17 through #29, with the exception of #21 that I asked to be pulled.

Mr. DiFrancesco: You would like that action now? What was that again?

Ms. Sinner: Number 17 through 29, minus 21. Also, I would like the Addendum #1 voted on an approved for a start date of February 23rd, 2004.

Mr. Haste: Is there a motion to approve items 17 through 29, minus 21 and Addendum #1?

Mr. DiFrancesco: So moved.

Mr. Hartwick: Second.

Mr. Haste: Is there discussion? Just so everyone understands, 17 through 29 is positions that we are filling out at Spring Creek. They need to be done so we can get the training moving and move things forward from there. Addendum item #1, will be the hiring of Chad Saylor as our Chief Clerk. Chad, please come forward. Chad will start on Monday, Chad and Bob will be working in transition for a week. We did a pretty good search for Chief Clerk and had a couple very strong candidates at the end and Chad rose to the top and we are happy to have him come on board. Comments?

Mr. Hartwick: I would like to make a few comments. When each of us were sworn into office, just over 6 weeks ago, we all vowed to put our campaigns behind us and put our heads together to move this county forward. Two weeks ago each of us, Commissioners Haste, DiFrancesco and myself renewed that pledge at the State of the

County address at the Civil War Museum. Today with the appointment of the county Clerk we get a real chance to put our words to the test. A quick look at Chad's resume could lead you to believe that Chad Saylor is one of the most party oriented people you could meet. Lifelong Republican, party committeeman, former staffer of the Republican State Committee, I really didn't know Chad before the majority of the Commissioners introduced me to him. Since then, I have had the pleasure of talking to Chad and he certainly seems to have the personality and the skills to get the job done and help all of us move Dauphin County forward. More important to me, and I'm sure more important to the majority of the Commissioners, I'm convinced that Chad is determined to put any partisan considerations aside and help us meet the challenges and opportunities of this job. Jeff and Nick are Republicans, obviously, and I am the lone Democrat, but the people of Dauphin County don't care what party you are from, however they deeply care about controlling spending, delivering vital services, and leveraging resources to create jobs and opportunities for our citizens. We Commissioners both publicly and privately, have taken off our party hats to do the jobs we were elected to do. All the residents should be assured that Chad, likewise, has left his party hat at the door. Chad I am very happy in joining with my colleagues in joining with you my services and am extremely optimistic about what we can achieve together. Congratulations.

(Discussion)

Mr. DiFrancesco: I just want to welcome Chad on board. This board ran for office based on a plan to bring some great changes to Dauphin County and in doing that we knew that it was going to take a very special team of people and we've been working very hard over the past couple of months to make sure that we have the right people in place in a lot of different positions. I'm glad to say that Chad was willing to come on board with us because he brings a lot of special gifts to the table. He will work very effectively in that position going forward and it gives us the opportunity also to use some of our other very talented people in other ways. So Chad, I just want to welcome you on board. I look forward to working with you and thank you very much for joining the Dauphin County team.

Mr. Haste: Thank you. Anything else from you Kay?

Ms. Sinner: The changes listing, I would just like to point out #6, I now have the hourly rate, you can add that. It is \$42.79.

Mr. Haste: Which one?

Ms. Sinner: Number 6. It had just said proposed hourly rate to be determined, \$42.79, Step 21, Grade 3. I have an overtime report for pay period number 3, as well as calendar and fiscal year overtime reports.

Mr. Haste: Anything else for Kay?

(There was none.)

TRAINING PACKET

Mr. Burns: There are 22 requests today, they have all been pre-approved by the oversight and they will all be held until next week.

Mr. Haste: Thank you.

PURCHASE ORDERS

Mr. Baratucci: Commissioners, you all should have received your packets yesterday, as usual there are a couple of budget adjustments that we'll need to make between now and next week. There was one on page four, for tax assessment, we're just going to be changing the code there. That is an ongoing yearly cost for our reassessment program we're going to move some money into a different code to cover that. On pages 12 and 13 for CID, those are two different grants, where again the money is here it just needs to be moved into those items. Back on page 29 for EMA, that is a line item adjustment that they are going to make between now and next week. The only one I wanted to call to your attention is on page 23. There is a small additional item that was missed last year when we ordered some furniture for the new jury deliberation rooms in the Courthouse with the renovations. They had ordered some tables and chairs and these were a couple of coat racks, one for each jury deliberation room, that also need to be ordered. It is \$600 additional into that fund, the 301 construction fund. My understanding is that this was part of the overall plan of approval for furniture for those areas to be purchased out of this fund. So, it is being put through now. I know that there were some concerns about that fund and the amount of money that has been spent out of it. This is their request that is here.

Mr. Haste: How can we put through when there is no money there?

Mr. Baratucci: We'll have to put it there from somewhere. I'll have to defer to Mr. Yohe on that. I'm bringing it to your attention because you have a week to come up with a solution.

Mr. Haste: There is no more money in that fund.

Mr. Baratucci: I understand that. I guess there are other solutions, but this is the one that is being passed forth.

Mr. DiFrancesco: Just my perception, being new to the board, that line item should be a fund we stay away from.

Mr. Baratucci: I think the idea was to charge it there so we eventually have a true cost of the renovations and the bond issue and the whole thing with that fund for the renovations for the Courthouse. I think the idea was to put everything where it belongs and then the idea is to come up with money to put there. When Commissioner Haste

says we've already over spent the money that's there, I believe him. But again, that's why we have a week to think about this. It is relatively minor in the grand scheme of things, from the change orders and other things that have come through. We're only talking about \$600 so there probably would be other ways to pay for it. That's why I brought it to your attention now, so you have a week to think about it.

Mr. Haste: There has to be other ways to pay for it. This is the open-ended account that never reaches bottom.

Mr. Baratucci: I understand that.

Mr. Haste: And there's no more money there.

Mr. Baratucci: I am very familiar with this account.

Mr. Haste: So how do you propose to pay for something when there is no money?

Mr. Baratucci: Well, I guess you could ask the people who are getting the items to pay for it. I don't think that they'd really want to, but...

Mr. Haste: There's no money in that account.

Mr. Baratucci: Okay, is there a direction that you want me to pursue until next week?

Mr. Haste: I guess you have a week to figure out how you're paying for it. If there's no money in the account I'm not voting for paying a bill where there's no money.

Mr. Baratucci: I'll explore some other avenues.

Mr. Haste: That credit card has been cut up.

Mr. Baratucci: Okay. I'll explore some other avenues and get back in touch with you. Everything else is there for your perusal and will be on the report next week for your approval. Unless you have any other questions, thanks.

Mr. Haste: Thank you.

DEPARTMENT DIRECTORS/GUESTS

Mr. Haste: We are at Directors/Guests and at this time I would like to call upon Commissioner DiFrancesco for some presentations.

Presentation of Critical Incident Stress Management Certificates

Mr. DiFrancesco: We have the distinct pleasure of presenting awards to some special people in the audience today. These are awards that date back to service in New York

City in the aftermath of the World Trade Center bombings. I'm not sure if the general public is aware that Dauphin County has a very talented team of people that are unique in the nation. They were called to duty in the wake of the World Trade Center event in an effort to, more or less, serve the people that were working in what was quite a devastating atmosphere. Today the Board of Commissioners is presenting to each of these people, certificates of appreciation. I am just going to read one of them if I may and then we will do the presentation.

A certificate of appreciation presented to Richard H. Malwitz, as a member of the Critical Incident Stress Management Team, for showing amazing selflessness and outstanding commitment to the mental health needs of others. Giving of yourself, freely, you traveled to the heart of destruction to debrief law enforcement personnel, reducing the risk of post-traumatic stress disorder. You provided a shoulder to lean on and an ear to listen as you counseled the rescue workers, traumatized by the death and devastation in the wake of the World Trade Center collapse. Many thought once the smoke cleared and the dust settled many of our first responders would again simply return to their jobs. But you focused on their mental health becoming the second responder by giving your time and talents to aid in the healing process. You did indeed prove to the world that our building may be broken, but our spirit is not.

And with that, do you want to join me? These will be presented along with a certificate of appreciation to the team. Richard Malwitz, Graham Hetrick, Mary Eberts and Mark Gaspich. There you go.

(Posed for pictures)

Mr. Hetrick: All of us were astounded when we went through these debriefings; there is no equivalent to what we went through there. There is no equivalent to what we saw there. Every day that we went down we had the same sense of what we had to do. I went out to the landfill, we all did, it was a storing area. It was a storing area where we would sift through tons and tons of debris and we would walk down macabre lanes where there was nothing but burned out cars. I remember one fire truck that had its extension ladder twisted like a pretzel. We looked inside and the one seat was totally gutted, you just saw the springs. The other seat was also just the springs but you could see the outline of a human being, reminiscent of a flash fire tearing through there, taking everything including the human that was there. I think the most shocking thing was for us to be down at the site and think about everything in this room, the lights, the humans, the wood, the fixtures, the doorknobs, you didn't see any of this. All you saw was rebar, high beams and dust. Almost like a snowstorm. I've lived death for thirty some years, as a Criminal Investigator, Funeral Director and then as the Coroner, so I've seen a lot of death, but I've never seen anything quite like that devastation. I never saw anybody who could lead a group and keep different personalities together like Mary. She was a wonderful mental health representative. Many people don't know that some of the first responders down there, especially one of my deputy's, who was in Search and Rescue, were from Pennsylvania. Pennsylvania played a large role there. Lastly, the most astounding thing, was that New Yorkers were nice as hell to us. It's pretty unusual to walk away from the scene every night and get pats on the back, have people shake your hand and thank you for coming to help. So it was an experience none of us will ever forget.

Mr. Haste: Thank you very much.

Jennifer Storm, Executive Director of Victim/Witness

Ms. Storm: I am here to talk to you today about a joint grant that Dauphin County Victim/Witness with Pre-Trial Services and the Sheriff's Department is hoping to apply for. It is for funding from the Department of Justice. The funding stream is the office of Violence Against Women and the grant is to encourage arrest policies and enforcement and protection from abuse orders. Currently we do have a Domestic Violence Task Force in Dauphin County that works very effectively. This comes out of the Stop Violence Against Women grant. This funding stream is coming out to accompany that stream and fill in some of the gaps created by that. What we are hoping to establish is four positions, one PFA Educator/Coordinator from Victim/Witness, who would develop a training curriculum to take out into the field and train law enforcement officers, District Justices and other individuals in the criminal justice field about the necessity of treating domestic violence as the crime that it is and enforcing the protection from abuse orders and encouraging arrests. We are looking to get two Sheriff's that would be specifically designated to domestic violence work. They would be serving the protection from abuse orders, they would also be making arrests and encouraging arrests. We are also looking for a bail officer. Everything would be covered under this grant. Four positions, it is a two year, 24-month grant. We are looking at, the budget's not totally complete, but we are looking at seeking approximately \$300,000. It is a two-year grant and the good news is that there is no match. So this would just be strict funding through the county, out to these three agencies. The additional resources that this would allow us is to purchase some much needed technology so that the Sheriff's in the field would have lap tops. They can access the PFA System, which is a database that tracks all of the protection from abuse orders and who has a protection from abuse order and who doesn't. They will have immediate access to that information upon arriving at the scene. It would also allow for us to purchase a laptop for the educator along with educational materials, like LCD projector and the types of materials that the person would need to go out and do presentations. It will also cover all of their benefits and any of those needs.

Mr. Haste: What would happen in year three?

Ms. Storm: In year three there is sustainability. That is put upon us that we create a sustainability plan for this grant. There is the possibility for continuation of funds, but they do look towards us to create a sustainability plan. Our plan is obviously, to do an aggressive fundraising campaign to bring in the revenue to continue to fund these positions. Should the grant not continue, I did some research with the grant, it has been out for several years and they do have a history of continuing the funding should the counties prove themselves worthy in that department. Similar to the Stop Violence Against Women grant, which has been continued for the YWCA and the DA's office. I am very confident that with the resources that we currently have by filling in the gaps with these resources, we can make this program effective. We should be able to get

continued services. If not we will be committed to and charged with fundraising to extend the program.

Mr. Haste: The training position, the Bail Officer, would be Victim/Witness employees?

Ms. Storm: No, the PFA Coordinator would be a Victim/Witness employee; the Bail Officer would be Pre-trial Services. The two Sheriff's would be through the Sheriff's Department.

Mr. Haste: So, in year three the County could be on the hook for three positions.

Ms. Storm: The possibility would be that the three positions would no longer exist. But as I said they have a strong record for continuation of funds. As long as the County's that receive the funds prove that they are doing what they need to with the funds. I think in Dauphin County we have a very strong, committed group of individuals with the Domestic Violence Task Force that I think we will be able to prove that and go beyond that. It is due on Wednesday of next week, so we were hoping for a vote at next week's meeting in order to submit the online application.

Mr. Haste: Okay.

Mr. Hartwick: I have one question. Jennifer, you said they have a strong commitment to continuing funding. First of all, I think it is an extremely worthwhile venture. Being the Mayor of a town, knowing domestic violence and how serious it is for children's lives and those in danger. They constitute the majority of our cause and certainly most of the time misunderstood, but very serious. If you could show us an established history of other communities or counties that have established this program and what they have done in order to maintain that program and sustain it long term. That would certainly help us, or help me, make my decision, whether or not we would be supportive of the program.

Ms. Storm: I know there are two counties in Pennsylvania that do receive this grant. I can send you their history and some of the programs that they have designed and the continuation that they have received.

Mr. Hartwick: That would be great, thank you.

Ms. Storm: Anything else? (None.) Thank you for your time.

Mr. Haste: I was going to ask the Sheriff, but I see he left. Jennifer, I do have one other question. Am I to assume that these Deputy Sheriff positions would be new positions or would this be funding for existing Sheriff's positions?

Mr. Gaspich: The concept between the two full-time Deputy positions would be to either move two current full-time Deputies to fill these two positions or to move part-time Deputies into these full-time positions. Basically, if we would move two full-time

Deputies into these positions, it would reduce our budget. But we would also have to replace those Deputies for the grant. If we moved two Deputies from part-time positions into those two full-time positions then that would be justifiable under the grant. So, it would either create two new full-time positions that we could shift someone from a part-time into a full-time position or hire two new full-time Deputies'.

Mr. Haste: Do you know which plan the Sheriff intends to do?

Mr. Gaspich: I believe it was to move the two part-time Deputies in, but don't quote me on that. I'd rather have him answer that question.

Mr. Haste: Okay. Thank you.

Kelly Wolf, Recycling Coordinator

Ms. Wolf: Good morning Commissioners.

All: Good morning.

Ms. Wolf: Myself, Dan Lispi and Paul Navarro are here today to discuss a little about our recycling facility that we have been working on. Back in May of 2002, our department received \$1.5 million from DEP to design, construct and equip a recycling facility. We've been working on this for the past year or so and prior to myself coming on board to the department, the County had applied for a grant to DEP for a consolidation center. DEP came back to us and advised us that it may be better if we would build a materials recycling/processing facility because the closest processing facility for commingled curbside materials is either going to be in York or Lebanon counties. We wouldn't have one locally. By having the facility locally we would be able to cut transportation costs, hopefully, for our municipalities, by bringing the recyclables there, rather than to York or Lebanon. The facility itself will be able to process co-mmingled materials that includes: aluminum and bi-metal cans, mixed colored glass, plastic, cardboard and newspaper. We have been meeting recently with different companies who would like to purchase the material. We would hope to enter into short-term contracts with end users for the material before the facility is operational so that we can ensure revenue for funding coming into the facility. How we are going to get the recyclables to the facility is that we are going to be working with the municipalities as their waste contracts expire, with hopes to have them write in the specs of their bid to direct their recyclables to our processing facility. This should decrease the recycling cost to the resident and the municipality for transportation. With that, I am going to turn things over to Paul Navarro, our engineer who has designed the facility. He will be able to elaborate in more detail.

Mr. Navarro: Thank you Kelly. Kelly has outlined some broad strokes. The facility has been designed to process 50 tons per day, in an 8 hour shift. That's well in excess of the crude volume of recyclables that the County is processing, but as Kelly had mentioned the thrust here will be to direct recyclables from all the municipalities in Dauphin County to this central location. We've reviewed several facilities as potential

sites for locating the facility some properties along the Cameron Corridor. However, the final site was at the City of Harrisburg, the incinerator. I'll let Dan talk about the arrangements that were made there to try and make the project more viable with some leasing arrangements. The transportation costs will be significantly reduced and we think that it is going to present a significant advantage to the haulers that currently do business in Dauphin County to channel that material to this facility. It's been designed as dual string facility, meaning there is a line of material for fiber, paper basically, and one for commingle materials will be processing, aluminum, bi-metallic cans, plastics and glass. Recently, there have been some advances in accepted uses of glass, both from PADD and from PennDot, to fund end users for that product glass. The overall market of crushed glass has been down so we've incorporated a crushing system into the design of this facility and hope to promote it as a costly element of the design. In the course of the design development we've received comments from various entities, RW Beck a consultant to DEP, who has, of course, provided the funds for the project. They have offered some input on various design elements and the glass of course is one that may or may not be part of the overall design. It is currently to be in the design, but as part of the bid, it will be listed as a separate alternate. The budget for the overall project is \$1.5 million dollars. Consistent with the grant we have developed from cost opinions and kind of designed to that budget. The facility is 7800 sq. ft. The bulk of it is the processing area. We have the tipping area and a small office/conference room with some showers and locker room facilities. The conference room will allow for some public education initiatives to try and get some school groups or other city groups to tour the facility and educate them to try to increase the levels of participation.

Mr. Lispi: When we started looking for a site for the facility, as Paul indicated, we were looking along the Cameron St. corridor. The idea was to locate the facility in an area where it could serve the greatest population. Of course in Dauphin County, the densest population is in and around the city of Harrisburg. The Cameron St. corridor is a major industrial corridor in southern Dauphin County so it was the logical place. There was available land, brown fields and so on. So we looked at several sites in the Cameron St. corridor and we found that some of them had flood plane issues. We found some disadvantages with each of the sites we looked at. The incinerator site had the advantage of the location being out of the flood plane, having already had road access built for heavy vehicles and trucks, having utilities at the site and obviously having the synergy of being located where the rest of the Waste Management activities site are going on. In addition, as Paul had indicated, one of the other advantages was cost. The Harrisburg Authority and the County are currently negotiating a lease agreement for the 3.4 acres that will be used for the site to be developed for a dollar a year, so the price was right for the use of the property. That's how we got to the site location and again the greatest advantage to this facility is by comparison purposed where the recyclables are collected at the curb now are being trucked to one of two facilities located in York county. So the hauling cost of taking the recyclables from Dauphin County down to a processing facility in York, which does the same thing as the facility we will have here when it is built. Plus when recyclables are hauled, you are hauling a lot of air because the cans and bottles and everything are not crushed before they are hauled. You can only get a limited amount of tonnage on the trucks so you can make many more trips

than you do with more compacted materials, such as solid waste. So, those are the significant advantages in addition to when the material is received, this facility contains a bailer. After the materials are sorted, they are crushed and bailed into compact blocks. When they are hauled out from the site and they go to market, obviously that also reduces the transportation costs and increases the value of materials. One other thing that we have not completed yet is the decision on how the facility will be operated. We've discussed this briefly and we believe that because of the specialized nature of operating this facility and the equipment involved and understanding the market that it may be a good candidate for outsourcing or privatization. An RFP is being developed, Kelly and I have worked on it. We will go out and test the market for that and find out who is out there who is willing to make an offer to the County to operate the facility. I think we will be looking at some sort of an arrangement where they would pay perhaps a flat fee or a combination of a flat fee and a share of revenues to build in an incentive for the operator to be successful and market the materials. The County would share, in some degree, that success and also get a flat fee for the use of the premises. Those monies then would help continue to support the operation of the department in the County. So, at this point, if the Commissioners have any comments or questions, we'd be happy to try and answer them.

Mr. Haste: I know Kelly talked about cutting the transportation costs in municipalities, that's one of the benefits. I think what we've seen, and I went with you folks to a couple of the sites, research shows by doing this, actually we increase recycling and the others. Dan just touched on it there. This thing has the potential to be a revenue stream for the County. I think Dan hit the nail on the head, to make sure that we have that revenue stream, and a quality revenue stream, you hire someone from the business who their whole existence is to market the materials and their profitability on marketing, then we generate revenue, as well. I think you are right, at least my intention would be to outsource that and not have County staff run that facility and actually turn it over to people who do this for a living. The company that we saw in Philadelphia was very successful in this. If they could duplicate that, even though it's a smaller scale, here, I think we'd be winners in the process. Paul, when you said about 50 tons a day, what is our tonnage now? Do you know?

Mr. Navarro: Kelly may have more current figures, for the initial 6 months of 2003, projected to be about 4 tons from the "A" drop-off centers.

Mr. Haste: Okay. Have we factored in what may come in from the municipalities?

Mr. Navarro: Not in the 4 ton figure, no.

Mr. Haste: Are we comfortable that the 50 would cover what we pick-up as well as the County recyclables?

Ms. Wolf: Yes.

Mr. Haste: As well as, room to grow?

Mr. Navarro: Yes.

Ms. Wolf: And also, when we initially sent out the grant we contacted adjacent counties and asked them if they would also be interested in directing their recyclables to our facility. We have a letter of intent from Cumberland County and more recently; Perry County has contacted us with the use. So, the more recyclables we get, the more revenue. Paul had designed the facility for expansion, as well, because we hope to be able to expand.

Mr. Haste: I think the location is ideal. You have trash trucks coming in now. We're all creatures of habit, it's easier if we put this and make the facility as easy as we can for the haulers.

Mr. Lispi: The city hauls it's recyclables out to the very site where this facility is going to be located. Only at this point all they do is put the loose recyclables into a tractor-trailer and haul them to York County. The last time I checked, I'm not sure that this information is absolutely current, but we were paying \$20 per ton when we got to York with the recycled materials that had been recovered from the street. Obviously, I would expect that the City would want to use this facility and bring all of their recyclable material there to avoid that hauling cost and hopefully avoid paying a tipping fee, if the market permits it. That's the wild card in recycling, is that the sale of the materials is a commodities market and the commodities markets go up and down. Somebody has to be on top of that constantly to adjust to the changing market conditions and try to do things to maximize revenue. I think a good operator will help keep the program viable by doing that.

Mr. Haste: Plus, with the technology, this is a commingle facility we are doing right?

Mr. Lispi: Yes, it takes commingled recyclables and sorts them in most cases, mechanically, and bails them, so it does need human beings, of course, to operate the machinery and all that. In a big way, it is fairly mechanized and rapidly processed. 50 tons in eight hours is a lot of recyclables.

Mr. Haste: Commingling, that allows the consumer to not have to make that decision, whether it is recyclable or not. When in doubt you toss it in there and the decision is made at the plant?

Mr. Lispi: Well, I think contamination is still an issue. You want to continue to educate the consumers, residents and businesses to only put recyclable materials out with the recycling. That way the facility doesn't run into problems with materials that don't belong in there. But what the facility can do is, it can separate the different streams and bail them individually and that increases their market value because the end user that you ship the materials to, he already has a homogeneous product that he can start the recycling process in. That's the benefit of the MURPH is to sort and bail those materials.

Mr. Haste: Plus if we had the person who is in this business running it, then they are driven by the market. That helps them on any given week or day to sort accordingly?

Mr. Lispi: Yes.

Mr. Haste: Okay.

Mr. Hartwick: I am also supporting the way that you present this structure here today, outsourcing the individual operators and the construction. I just have one concern however. I have been made aware of a project that currently is being undertaken at the Keystone Opportunity's areas, near the airport. I believe they are moving a recycling facility into that location. I was wondering if you have any updates on that and whether or not this facility may pose a challenge to that private investment project?

Ms. Wolf: Sometime last year when we put the Public Notice in the paper for this project, we had agreed with DEP a non-compete clause. We would not compete with private local recyclers. I am aware of the recycler that you are referring to and that specific facility only deals with corrugated cardboard and mixed office paper and newsprint, that I am aware of, where they need to take it separated. The difference with our facility is you can bring it there commingled and we'll be able to separate it, process it and bail it.

Mr. Lispi: I think the other significant difference between the two operations is that the other facility concentrates mainly on commercial accounts and the focus of our facility is to receive materials that were collected curbside from residential properties. So we really are not in the same market place. That facility would continue to have unfettered access to any commercial establishment that they wanted to do business with. Our focus will be on accepting curbside collected materials from residences in Dauphin County and possibly others.

Mr. Hartwick: Thanks for the update.

Ms. Wolf: You are welcome.

Mr. Haste: Any other questions? None, okay, thank you. We are going to skip Mike and Dan and go to our guest first, Tom Powers, would you please come forward?

Tom Powers, Crossgates

Mr. Powers: Good morning Commissioners. (Distributes handouts)

All: Good morning.

Mr. Powers: Commissioners, I have two folks with me from Crossgates, to my immediate right is Mike Towers, the President of our consulting division, who is going to do an overview of the scope of work we just handed to you. And to my left is Matt

Tunnell. Matt recently joined Crossgates as the former Executive Deputy Secretary to Sam McCullough, during the Ridge administration. One of the extra tools we think that we have in the toolbox to help you with the strategic real estate assessment we're going to talk about, is Matt's ability to help in finding funds, grants, low interest loans, training dollars, really outside the box, to use one of Commissioner Haste's terms, type funding that we think we can be innovative on helping the County. So I asked both Mike and Matt to help me with this brief presentation. Mike if you will please, an overview of the scope.

Mr. Towers: Good morning Commissioners. I think the best way to approach this from a beginning basis is to think in terms of a natural extension to a similar project that we completed a couple of years ago. In that project we undertook an institutional real estate assessment, specifically the County nursing home, County Prison and the Women's Work Release Center. As part and parcel of the study, the results produce some specific outcomes, which I have highlighted here which are similar outcomes and similar goals, which we look to accomplish on a broader assessment. Our assessments in our study did identify opportunities to operate the facilities more efficiently; it did gain new sources of income with some significant values of pieces of land that we recommended being available for sale. It did certainly have an opportunity to reduce expenditures, specifically in areas of staffing and utilities. Overall with those specific assets, let's take the nursing home as a specific example; it did position it for a much higher and best use. We looked at it and made recommendations on how to best assess and utilize the land. So take that as a blueprint, I think that represents conceptually what we would look to do since that did seem to go well, and the outcomes were the goals that we are seeing here. We think it does make sense to take that same approach, the same concept in terms of a much wider assessment because the real estate is such a high value, the appropriate use of it and gaining input from users, to a degree, and then hopefully converting all of that to a similar outcome and result that we were able to accomplish in those three. So just as a general beginning basis and a conceptual basis, I think the theory of what we are presenting is exactly that. And then in terms of the actual action steps, they are very similar to what we did, here it's a bit more broad because of the more broad assessment that's involved. Prior to that we had three specific pieces of real estate that had three specific uses, here obviously we are opening up the potential for far more, so the action steps themselves are more broad.

Mr. Powers: I think there are a couple points that we'd like to make Commissioners, in relation to it. We won't get detailed into the scope, which you have summarized in the middle paragraph, but Crossgates considers Dauphin County our partner. As you well know and as part of the hand out you received is an update on the TecPort business park that we are developing at the former AMP campus. I think you are well aware of the success of that project and that has been in cooperation with the Board of Commissioners, as well as, Dan Robinson in your Economic Development office. We are pleased for the partnership that we have in that. Secondly, we were pro-active and we approached Mayor Reed, of the City of Harrisburg, to talk to him about this potential study. He, by virtue of a letter to you, has endorsed it, thinks it is a good idea, and as we watch what your board is doing with Dauphin County, looking for inefficiencies, looking

for ways to curtail spending, looking for ways to gain revenue, I think the nursing home site that Mike articulated is a perfect example. You have followed our recommendation in regard to the settlement of the law suit with the Green Belt, McDonald's is up and operating and those out parcels right now, in many ways we continue to think of as an extension of both TecPort and the work we're doing with Feldman and Bass Pro and the Harrisburg East Mall to create a Paxton St. corridor. That not only is something Dauphin County can be proud of, but that will be a gateway into the City of Harrisburg. Our thought is that we look at all real estate that is zoned, leased, and under control of the County and come back to you with, A. a long-term strategic plan and, B. recommendations regarding the potential disposition, sale, lease, whatever it may be related to that real estate. And that is a summary of our proposal. We are certainly available for any questions Commissioners.

Mr. Haste: Up in your first four bullet points, the third one; reduce County real estate expenditures. Explain what the objective there would be.

Mr. Powers: I think the objective would be that if we see in providing if you would have seen the entire proposal, I think you have, to refresh your memory where we talk about, A. focus groups and B. meeting with department heads. I think it's an objective opportunity to come back to you and to say that there may be duplication, there may be areas where, through efficiency, you don't need to, for example, lease as much space. Again, going back to the County nursing home, when we talked about removing the adult day care center and creating out-parcels. We're not experts in nursing homes and we won't argue the efficiencies it did or didn't create at the nursing home, but certainly we can argue that it will create out-parcels, which from a strategic standpoint the County may look to do long-term land leases or may look to sell those parcels outright, generating revenue, creating economic development, creating jobs and certainly creating that extended gateway into the City of Harrisburg with the work that we have done both at TecPort and Harrisburg East Mall.

Mr. Hartwick: Undergoing the comprehensive plan in my former life and experience as Mayor of Steelton, I know that they often came with a price tag. One of the biggest concerns was the action step to make sure we have a living breathing document and a way to institute real cost savings as a result of the investment in performing the study. I think that is often times the criticism that the Budget Director and I have also shared that we've always seen a lot of great studies, but the actual cost savings and how we pay for the project is ultimately how we gauge how successful our investment has been. I think we all need to know the position that the County is in and take a look at every alternative source of revenue, take a look at all County real estate, take a look at providing the most efficiencies. That's why I am in support of this proposal.

Two points that I wanted to make; First, I know right now the Governor is going through the Dept. of General Services and overall real estate assessment of all state owned office space. Is there any way that we may be able to partner in that overall assessment in order to reduce the cost of this proposal and does it make sense for us in doing the same assessments with your expertise in those payers of government, to partner in that

way so we could all be on the same page and not duplicate our efforts in trying to get an assessment of the downtown and overall Dauphin County office space?

Mr. Towers: I think that we are looking at what the state is doing and you are correct. The Dept. of General Services has a real interest in looking at their surplus property and seeing if they can find some efficiency, in particular, eliminating some property or taking property off of their rolls. That's an interesting vision and one that I suspect it would be the first of it's kind to take a look at both State owned property within a county, as well as what the County is in control of. It's certainly worth having that kind of a conversation, we have very good relationships with the new management at DGS, as I know you do, and we certainly could look at that jointly. From a community and economic development perspective, I think what your goals are; match very well with the State's. Clearly, the interest in finding community and economic development opportunities in urban and areas that have undergone some level of difficult times in being able to have economic activity is where the Governor's going to be concentrating most of his activity. In my experience, in those regions, the spark that often generates real growth comes from some kind of a public entity, whether that's a non-profit entity or if it comes from a governmental entity. The decisions that are made at that level, often free up land or create public-private partnerships, such as TecPort, that start to rejuvenate an area. So, looking at how this is justified both from a funding standpoint, as well as a community and economic development standpoint, I think it is those kind of opportunities that exist that are shown in the first engagement that we had with the County at Spring Creek. These are the kinds of things that can be duplicated jointly with the state.

Mr. Hartwick: I know also in doing a comprehensive plan that we did, it was about a \$50,000 to \$60,000 price tag when we accomplished that in the community. We actually had found about \$42-43,000 in partnerships with the Department of Community and Economic Development, partner with the County, to help fund such a study. Have we gone out and sought out any available resources that the County may be able to use in order to offset the General Fund cost of this project?

Mr. Powers: We have not as of yet and we would not without your direction, although, we are certainly willing to. I think that Matt obviously brings to the table the ability to do that, however I'd like to take, Commissioner, your comment in regards to the state study and give you an analogy. The analogy I would give you is, you are very aware of what's going on with I-83 and the master plan for that project. We are a microcosm of that with the conversion of Paxton St. to two-way, which is under design right now and we'll start construction, we hope, in September. This Board and this County has been very supportive of that and I use that as an analogy because we looked at the DGS State proposal that you probably have seen in the paper. They are going with some pretty big horses to do that on a statewide basis, it's going to take a long period of time. To us, this is a microcosm of this that is very innovative that the County can look at and can be doing simultaneously, but not only in coordination with, but finishing prior to what is going to be a long-term project with the Commonwealth. So we see it as an opportunity, and again, looking for opportunities to pay for it. I keep going back to the

nursing home land because we think that that land has a higher and best use than the nursing home/adult day care center that was there. Obviously the prior Board supported that because you are involved right now in the demolition and clearing of that property. And again if you go back to the potential land lease of values of that property, or sale of that property, you'll pay for the study many times over. So, I think those kinds of opportunities are worth looking at and again you look at what's happening at the East Mall. We are a consultant for Larry Feldman, who is purchasing the mall and I think everyone is aware of the Boscov's and Bass Pro deals that the County has supported to come in there. As you look at the adjoining property of the mall, for example the former Woodside Detention Center and the County Prison and the nursing home and the parcels we talked about, certainly there needs to be master planning of that area. Again, I think that is just another small example of a larger part of Dauphin County that can be looked at from a master planning perspective, create value, and therefore create the opportunity for revenue. Again, I think it would pay for this study many times over.

Mr. Hartwick: Just two more points and I'll try to be brief. The first position that we are in is that we're in a tight budget year. Where do you find the money to pay for this? That is the question that some of the Commissioners have asked and probably trying to put together that strategy may be very helpful in trying to help us determine whether or not we move forward with the project, at least from my perspective. I view this not as an expenditure but as an investment for potential to receive a much larger yield in return and I am certainly all for taking a pro-active approach to trying to do that assessment and having the answers and not be playing a guessing game. The last part about the proposal is about overall, and I don't think was included in your proposal but it's something that I think is extremely important for us to do an assessment of, but as we went through the campaign we talked about potential site development and being a one stop shop for anybody who wants to move into this region. We should have all of those sites, the parameters, the opportunities that may exist throughout all of Dauphin County and have us in a position to know what the issues and problems are of those parcels and what, if any, environmental contaminations exist. If we have an individual who requests a certain amount of space we should have a shopping list to say, okay, these are the three locations, you can go out and take a look at. We are ready to go and these are the issues of those sites. We can make it a much easier transition/sell from Dauphin County's perspective in order to try to move potential investors and clients into this region by having such a list of sites. Is that something you had considered including in this proposal?

Mr. Powers: Commissioner, I think you are exactly right. We have talked to your Economic Development office about this proposal. We actually worked pro-actively with them to put it together. We would like to take it a step further, not only would we like to have sites, but there are potential leased opportunities, things that may be disposed of by being on a long list for Economic Development, when tenant representatives and deals and certain things come in looking for sites. From the deal flow perspective that we enjoy, as well as the deal flow perspective that is enjoyed by your Economic Development office and by CREDC, we would make that part of the proposal and include it, I think it's a great idea.

Mr. Hartwick: As we said we think regionally here as well, the rising tide lifts all ships. If we can get that kind of assessment in the region, start to label and define whom we are. We will become a much bigger player in the scene for investment, as we define this region. I know we are attempting to do that as we speak. This is my passion and I'm sorry that everybody has to listen to us discuss Economic Development, but I think it is a worthwhile investment something that the Board should definitely take action on.

Mr. Powers: One point Commissioners, that I think you will appreciate it that can be coordinated here, is Crossgates is currently engaged by Cumberland County, the business park study. There we are doing very similar things, as we would do for you. We have a multidisciplinary team that is looking at potential business park sites within Cumberland County. That coordination for the Region is something that is greatly needed and frankly is refreshing to hear your Board articulate that.

Mr. Hartwick: Thank you.

Mr. DiFrancesco: We've have the opportunity to chat and I think what I'd like to start out by saying is, we have a relationship with Crossgates that goes back a ways. From my days in Lower Swatara Township and I want to be very clear that, as a corporate citizen and a quality professional outfit, there is probably no better, in my opinion, in central Pennsylvania. You guys do a fabulous job for the projects that you undertake. You also do a fabulous job in being innovative and coming up with ideas that no one else has thought of before and carrying them forward. When people say it can't be done, Crossgates is going to get it done.

So having said that, I want to speak about this proposal in particular. I'm going to take a different tone than George has because I think, not that it's not a good idea, I just think it's an idea that's just a little bit ahead of schedule. I don't think the time is right for us to carry this forward simply because I think a lot of what the proposal includes, we can do ourselves within the County's abilities and professionals. My position is not so much that is shouldn't be done, I just want to make sure that when we carry it forward, it's the right size, it has the right look and we are looking at the right things. Right now, I think it is a bit too broad. My position is certainly in support of the concept, but I think we have to take a good hard look at where we want to focus, what we want to address and quite honestly, what we want to handle internally. Because what happens is, when we go out and we hire you as professionals and you take that good hard look at the facilities, what we're going to get back is a snapshot of a particular point in time. Then we are going to come up with a game plan for that snapshot. If we are prepared to move forward and we have the resources to move forward and if we have our priorities set and we can move forward on that, then good things will happen. If this plan sits on the shelf at all, because it's not the right time and it's not the right proposal, then we spent a lot of money for a snapshot when a year from now the entire market may look different. That's where my concern is. I think it is a great idea, it's a great concept, but I think we have to sit down and hash out exactly what this proposal is supposed to look like. I can identify right now a number of facilities that I believe you all should be involved with trying to

help figure out what we need to do. At the same time, I am not very interested as one Commissioner going out there and putting a very broad proposal on the table. I feel that it would be better if our internal professionals handle certain aspects of that.

Mr. Powers: I'd like to address three points to that quickly Commissioner. First of all, thank you for the nice words about Crossgates. Secondly, I'll give you a positive and a negative reaction to what you said. On the positive side, this was our first opportunity with a lot of guidance and direction from Bob Burns and Dan Robinson to submit a proposal. If this needs to be done in an a la carte method, looking at certain factions of government and certain institutions or certain pieces of real estate, we are open and able to do that. Number two, on the negative side, to think that your staff is going to be able to be objective enough to meet with the Department Heads and come back with some tough decisions, saying we think you ought to do X, Y or Z, I think is not accurate. We've been in many situations where we've had to tell people the good and bad news and one of the things that we've done in this market is establish credibility by doing that. We've done some tough projects together in your township, as you well know, and I think it is very difficult to take a staff member to work with other Department Heads in county government. I'm an ex County Prison Warden, so I know how it works, to have them say that a certain department doesn't need this amount of space, or they ought to be relocated. It's not a popularity contest for the outside consultant. For an internal staff member to make that kind of tough recommendation, I think it is pretty difficult.

Mr. Haste: I sort of knew where Nick was going with this. I just looked at, the middle section, of the proposal bullet points. Again, we're trying to cut costs. I think your end product is not a bad thing if we do something with it. I know I have looked at a lot of proposals, a lot of these are done and they sit on the shelf and nothing ever happens. My fear is, if we are going to do it, I don't want to do that. To me it appears that the first four bullet points could be done internally, and then that information be given to you. I see what you are saying about the objectivity. If we don't know what property we own, how are you going to find out? I mean we're the ones that are going to tell you. It just looks like there are some ways to refine this. Some of this can be done internally and there is an expertise you offer that we don't have, plus you can be a scapegoat if we have to. I think that is part of where we need to go on this.

Mr. Powers: Commissioner, we concur that again, we see this at TecPort, as a partnership and if you would assign your Economic Development staff, or whomever, to work with and divide the scope of work. We are not married to the specific proposal that you have in front of you. It is a starting point and a discussion point. We want to work in partnership with you.

Mr. Hartwick: One last comment, I know Commissioner DiFrancesco had said about our staff. I think we are all on the same page with trying to internalize a lot more responsibilities. We talked to a lot of our staff in the role of trying to do what we are paying outside consultants to do, in order to reduce costs. I think we are all on the same page there. However, I think where our staff comes into play may be, as you say, refining this proposal, but the management, say we take a snapshot in time, it would be

up to our staff to maintain that snapshot. To be able to, at any given time, provide those statistics that are necessary and the evaluations that are necessary for current investors and how to proceed.

Mr. Haste: When you were taking credit for the McDonald's deal, I don't know if you want to take credit for that because I'm not sure that it was a good deal.

Mr. Powers: I'm not taking credit for anything. What I'm telling you is that we were involved in that project. We worked with the situation with the lawsuit with the Greenbelt, as well as the clearing of those properties. The decision to do the McDonald's or the decision to do the high-rise nursing home, they are not real estate oriented that we were involved in.

Mr. Haste: When that thought came to my mind, I thought, it would come out sounding like Russ and it scared me for a minute. Okay, so you are going to take the comments back and take a look at your proposal and see where we are?

Mr. Powers: We would be happy to.

Mr. Haste: Okay.

Mr. DiFrancesco: If I may add, I think we need to take another look also and figure out what we want to accomplish from this. What the scope should be and what we're prepared to move forward on. I think if this is going to work you need to hear from us about what we need.

Mr. Powers: We will await your direction.

Mr. Haste: Thank you.

Bradley R. Jones, Corporate Director, Public & Community Services, Harristown Development Corporation

Mr. Jones: I would like to introduce my colleagues here, to my left is Neal, Vice President and General Counsel, Shane Hassinger, who is our Vice President for Property Services and our fearless leader, Russ Ford who is our President and CEO. Today we just wanted to briefly ask for your consideration on a project that is part of an entire development corridor, but we've been working on for about the last 5 years. As I think some of you are aware, we have been involved in a lot of projects south of Market St. down through, along to Chestnut St. I want to, first of all, thank your office of Economic Development and the Commissioners for their past support. A lot of the activities we've been proceeding on here in the last several years, if you look at the screen we have now invested about \$4 million in the last five years, in a series of projects that run from the Kunkle Building, on the corner of 3rd and Market St. to the shops on third, at the corner of 3rd and Market. The International House down along Chestnut St. at four different row buildings, 21 S. 3rd St., 300-400 S. Chestnut St., 29-31

S. 3rd and now the project that we are here to tell you about today and ask you to consider some additional support is 17th South 3rd St., which we expect to put about \$321,000 into that building.

Just to back up and give you a brief overview, we built the International House and opened it in August of 2002. It's important for us to tell you this because the project that we are going to do at 17th South 3rd is a little different flavor than that is, but it is related. The mission is really all about bringing people from different countries and cultures together to use the community to learn from each other. Really we are bringing the world to Harrisburg. I applaud the former Mayor of Steelton. He had a great slogan on the flags of Steelton that reflects what we are trying to do here with the International House. This is a before and after picture of 318 and 320 Chestnut, which is the main hub of the International House. These are basically fully furnished apartment units. We have room for about 20 residents now. It's been basically sold out since we opened this facility and we've had a mixture of about 50% domestic and 50% international students at these various buildings. It's designed to move in and live there. We have essentially short-term leases, there's nowhere else in town where you can get a short-term lease and get a monthly or semester long lease to do your internship here in town, up to a couple years. We also have the lounge down there, which has been a showcase for international events since we opened it for all different types of activities. It really shows off the strong internationalism that we have here in the County. We do all kinds of different events there, events for the residents, events for the community, international cultures, and cuisine. These are all of the things that come through the Hardwood Lounge at 320 Chestnut. This project has been so successful that we actually built additional units at 310 Chestnut St. and also additional units at 306 Chestnut St. As you might expect, these buildings are some of the last remaining row buildings in downtown Harrisburg. Our mission, with redeveloping these, is to preserve the building fabric and enhance and preserve these buildings for another 100 years basically. They're expensive projects to do, as I think you all know. We are part of a family of International Houses, worldwide and as you can see from this list, Harrisburg is a small city, population wise that is engaged in this. We have some great partners, nationally and internationally. To date we have had about 65 students representing 14 countries around the world. The average age is about 24 years old with partnerships with the State System of Higher Education, Penn State Harrisburg, and HACC. Also we have been receiving requests and have also housed several artists and residents.

Here with us today is the founder of Open Stage Harrisburg, in the back is Don Olsedeck and Terry Sneed, who is the managing Director of Open Stage. I have asked them to talk briefly about our project here, a little later. We also employ internationals at the Hilton affiliate companies that are from accredited hospitality programs around the world. And a number of internationals are also employed at various places downtown and also the State. In addition we have used the International House lounge as a place to showcase events through a partnership with the Harrisburg Young Professionals. We had a great event on leadership development last night and we are going to have a International Art and Theatre scholar next week coming in. We have a South African delegation coming in March and we're going to have a citywide student, intern and

employer reception later in March. This has really become, for international visitors, a place where the community can come together and welcome international visitors. Just to give you an idea of the economic impact of this facility. Most of the students don't have cars, there's a standard hotel multiplier that's used of about \$75 a day for overnight guests we sort of use the International House as a long term stay project. Using our 10,434 room nights since August, on average of about \$45 per day, we've kicked almost \$500,000 into downtown since we started this facility.

And now to focus specifically on the project at hand. We have been doing predevelopment on 17th South 3rd St., which is the former Gold Key Bar and Grill, right at the corner of south 3rd and Blackberry, in between Market and Chestnut. This is about a 2300 sq. ft. row building that has some distinct and unique architectural features. This is what it looks like today. What we'd like to turn it into is the Art Suites at International House. Eventually a place where artists and residents can come and work with the local arts community have a place to stay in a mixed environment with international and domestic students. On the first floor we would like to place a gallery to showcase local artists and we also envision doing some things that will allow a legacy to build on the artists that come there on the side of the building so that there will be a story to tell to the public, as to the number of international artists that come through this facility. We think this is a start of something much bigger as other communities around have done, Pittsburgh, New Britain, Connecticut, Baltimore, and Washington DC, have done. They started small bringing in artists and residents and then gradually they build an arts community of artists living quarters. This would be built in the model of the International House that would be managed by us as we do with our affiliate company that manages the International House and we hope that this will grow into something much bigger. As examples of this, we have had some international artists already stay at the International House. We've had Denny Naburg who was here from Kiev, Ukraine in July of last year. Also, Ethan Kadoff was here as a resident artist with the Open Stage of Harrisburg. At this time I would like to ask Terry Sneed, the Managing Director of Open Stage to make a few comments.

Mr. Sneed: For the last 12 years, Open Stage of Harrisburg has been located in downtown Harrisburg, in the beloved landmark, the Walnut St. parking garage. We've dedicated ourselves to being part of the kind of growth that restaurant row, the Whitaker Center and Strawberry Square have added to the cultural life, as well as the County tax revenue for Dauphin County. Along with our colleagues at Theater Harrisburg, and other art organizations, we have utilized Harristown Development Corporation's International House, for guest artist housing on an availability basis. As our own influence in the region has grown, just to give you an example, we will be bringing 2,000 students from March 16-19th to the downtown area and all of them will be eating at Strawberry Squares food court. We've reached both adult and student audiences from six counties and Maryland. We view the Art Suites project as a staple for artists housing. Not just for a single artist project but for 5-7 projects per year. Those artists are generally ruled by union regulations, which mean that they have to be within easy walking distance of the facility with which they are working. So they're money stays downtown and in other Dauphin County areas. As our influence continues to grow, our

educational element alone has grown by about 33% in the last three years. HDC's project we believe will add to our ability to house artists of international reputation, which will in turn bring artists and audiences from the outlying counties and neighboring states.

Mr. Jones: Thank you Terry. So, essentially what we are really trying to do here is bridge a difficult financial gap, which you know the history of Harristown, we take on some difficult projects and our mission is really all about revitalizing downtown. This project, like other residential projects that we have done with the International House, these are difficult to make economic sense out of, but we are hopeful that we can make this project work. As you see here on the board, this is about a \$350,000 project, these are expensive buildings to renovate, well over \$100 per square foot and we are getting good at doing them, but we haven't been able to bring the price down below \$100 per square foot yet. I know staff has worked closely to try to help us offset some of this with a little bit of subsidy, we think this project has some traction to the community, as Terry noted. What we are really here asking you for today is to consider a \$25,000 grant from the Tourism Fund to help make this project feasible for us. As you can see we're going to put \$321,000 of our own money into this in addition, we're going to leverage a conventional loan on this property. We don't like to do that with residential projects because they are difficult on the cash flow. In addition as I noted earlier, we are going to be spending well over \$4 million in this corridor. It is part of an evolution, it's part of a story of rebuilding, it's starting to come into view, which is an arts and international neighborhood. There are so many great assets down in this area that are now building upon each other, and we think this will just be one more component to really add to the International Row that we are developing on Chestnut Street, add to the Arts Row that is flowing through 3rd street in the Theater district and all the way up through town. With that, I certainly will entertain any questions.

Mr. Haste: I can't remember, I know I saw this project, because this is the one that you brought up for CDBG funding. When this is finished, is this property taxable or is it non-taxable?

Mr. Sneed: All of the properties are taxable.

Mr. Haste: I thought that was what I remembered, but I wanted to make sure.

Mr. Jones: Commissioner, as a follow-up to that. We are one of the largest tax payers in Dauphin County, we pay about \$6 million a year in taxes and part of our mission was to essentially grow the tax base for the City and the County and certainly, this property will be taxable.

Mr. Haste: I just wanted to confirm that.

Mr. Hartwick: I would like to commend you on your vision. We saw a transportation plan for 3rd St. and the southern end of Harrisburg, which is also part of the two-way street. Obviously you have thought about that and it is a significant part of the investment and

the plan to grow that entire area. The transportation improvements to that area certainly make sense and I think it makes your investment, initially, much more saleable. As we come down the road, obviously I commend you on your vision, we need to do something with that section of Harrisburg, and you are thinking out of the box to do so. We will certainly consider your request.

Mr. Jones: Thank you very much for your time, we greatly appreciate it.

Dan Robinson, Director of Dauphin County Community and Economic Development

Mr. Haste: The booklet you have, can you make sure that all of the IDA members have a copy?

Mr. Robinson: Yes.

Mr. Haste: Is this different from the one that I already saw?

Mr. Robinson: Item #7 would be the only different portion of that. Just for a matter of record during the 2003 budget process, the \$1.7 million line item in revenue was placed in the County budget and we are here this morning to determine direction, how best at a minimum, to accomplish the sale and/or revenue generation of 112 Market St. Before you, you will see a proposal that our Deputy Director, Skip Memmi, and myself worked on which describes several options for the Veteran's Building. They should be listed #1-7. The way we arrived at the \$1.7 million assessment was that the Daler Group conducted an appraisal back in July of 2003 indicating that the building in an "as is" market value has a net worth of \$1.7 million. With the parking that you guaranteed last week, it would be \$3.4 million. We currently have no realtor record on the Veteran's Building. That is another item for discussion at a later date. Would you like me to go over the options, as presented?

Mr. Haste: I don't know that we need to go into detail unless my two colleagues do. We've seen this before. I hope that you have a discussion with the IDA folks to see if they have some ideas. Some may have an option #8. I understand that there has been some discussion with the whole university idea and the need for some kind of dormitory or housing. That may be another option that's out there. On the realtor, I'm not sure that we need one realtor. Quite frankly, we could do it like everything else and let the realtor's compete for it and let the best deal come forward. One thing I think is interesting, when we started to go through this, I think everyone needs to be aware, that one of...before I do that, did you find out how much the rental payment would be and when?

Mr. Memmi: Commissioner, I believe it is to start within the next month or so and it would be a little over \$7,000 per month, approximately \$84,000 per year.

Mr. Haste: Okay. One of the things that I found interesting in this is that everyone talks about how high taxes are and they throw percentages out and it scares people. But the

real reason and again another reason I'll keep harping about tax reform is that this property as you have here if it were to be sold "as is" put on the market for \$2.2 million, we realize \$12,700 in real estate tax. Is that correct?

Mr. Robinson: Yes that is the County's portion.

Mr. Haste: So an asset of that size, if we were to sell it, what we get in ongoing revenue is \$12,000 a year. Which again, is all the more reason I think once it's sold, unless it's to the IDA, we lose the value of that property forever as a County entity. Even if we go through the one proposal that we saw where someone was suggesting the condos and we move it up to about \$7 million in value, at that point in time we realize about \$48,000 per year. Take that to the \$84,000 we get off of leasing those two floors. To me it doesn't make a whole lot of sense to give up that asset. I know the problem that we have then is to make sure that we keep it leased, but when we have the potential for a revenue stream there. Everyone will yell and scream to put it on the tax rolls and I think whatever we do we ought to do the pilot payment and be the good citizens. Quite frankly the numbers just don't seem to make sense to just flat out put it on the tax rolls and walk away from it. I like the idea that you are looking at an option #7 and we're starting to think a little more creatively in partnerships. Again we are sitting here and we are talking about the proposal here and what we are going to do with the International House. All the people we are bringing downtown, that's fine and good and helps those businesses but the bottom line is that it does not affect the County's real estate tax base hardly at all. Until we get tax reform we are barking up a tree.

Mr. Hartwick: I know with the initial, and I agree the numbers appear if we can occupy the building that the potential revenue it has created far outweighs what we'd receive from the real estate taxes. Clearly, we are all looking for alternative ways we all just have to be prepared. As I was taking a look through the actual building there are some real issues. We also need to be prepared to do what is necessary to upgrade the facility, which is going to take another significant investment before we put it in a position to be rented out. This is probably my largest concern. As you take a walk around the building, structurally the way it is put together, boy I wish we had a different asset to be able to rent out now, but we were dealt with a hand of a building that appears to be a large elevator shaft. Hopefully we can figure out ways to define the uses better and engage with folks to start to take it seriously. I think it will take a significant amount of up front investment along with the sale of the IDA in order to make it attractive for individuals to come in and take it seriously as it relates to rentals. We have to be ready for round #2 with a significant investment in the building before it will be marketable.

Mr. DiFrancesco: The other issue we need to remember too is that we have the potential for this to be a working asset for us. We just went through a debate for the last four years as to whether or not we are going to need space to grow in to. The bottom line is that we have a complex down here that's very well defined and getting land is not going to be very easy. If we can have an asset on the books that is producing revenue that we may have to grow into some day rather than going out and trying to acquire

more space, that's going to be an important part of the decision that we make. I think right now again, as the Chairman has mentioned, this is an asset that is going to begin to produce revenue for us that can be enhanced and probably produce more revenue and we've got a working asset for the County that is actually helping the bottom line until such time that we may have to reevaluate that space for operations. We need to protect those assets.

Mr. Hartwick: I see the numbers here also that in order for us to break even with the sale we need to try to get that building to 80% lease.

Mr. Robinson: If the IDA would give the County \$1.7 million we would need to have that building occupied at 80%. Right now it's roughly about 15%.

Mr. Hartwick: So it's important for us to come up with a game plan and an up front investment if we plan on keeping the facility in order to maintain occupancy and pay our bonds.

Mr. Robinson: As you'll note by one of the options, if we wouldn't have to give you the \$1.7 million initially that could be less of a burden trying to get 80% sooner rather than later.

Mr. Hartwick: Any suggestions to come up with \$1.7 million in the budget? We're all ears.

Mr. Robinson: Mr. Dick?

Mr. Dick: I'd like to see a County lottery.

Mr. Haste: There have been all kinds of gaming solutions mentioned.

Mr. Hartwick: You haven't been to Steelton lately.

Mr. Haste: So you will have a discussion with the IDA?

Mr. Robinson: Yes that will occur tomorrow.

Mr. Haste: If I'm hearing my two colleagues correct, what we are saying is we may be closer to where we need to be and I don't know that anybody wants to give up that property when the tax revenue is just not there to do it.

Mr. Robinson: On paper, from what we've been able to surmise is the County does not owe anything on the building, which is a good thing.

Mr. Haste: Okay. Thank you.

REPORT FROM BUDGET & FINANCE – MIKE YOHE, BUDGET DIRECTOR

Mr. Yohe: Commissioners, I'll be extremely brief here. Normally the budget amendments are a formal process of approving any changes. Normally I would do this as a part of my on-going report on the appropriate week whenever it would come up. I thought this time, this being the first time for the two of you, that I'd have a chance to answer any questions. I gave you two reports back on February 6th. We operate two different budget years one runs January to December the other runs July to June. There are two different reports and there is a separate budget for each one. I keep track of any changes that are made to the bottom line that are recorded here and I ask for your approval on a quarterly basis. What we are looking for here is final approval. Again you weren't here, but as part of the final process, just to keep it on the record that the budget was approved for December 31, 2003. What I've highlighted in the report, the amendments that are shaded in gray are the ones that we did in that quarter. All of the ones prior to that have already been approved. Essentially I am here to answer any questions that you may have, if you don't have any, I'll ask for approval in my report next week.

Mr. DiFrancesco: I have one question. As a part of the budget there was a sizeable portion that was vacancy control, how do we get updates as a Board to tell us when we should fill vacancies? We get a lot of proposals before us that say a position has been vacant for three months. There are a couple today that it becomes vacant sometime in the future so it wouldn't be held vacant at all. How do we keep up with that to know how we're doing with what was budgeted through vacancies?

Mr. Haste: I saw an email this morning. Mike, did you send that?

Mr. Yohe: I did. In the interest of time up until this point I've been keeping note of that. This morning was the first real attempt at starting to fill some of these vacancies so I gave you a little bit of a report. I can print out what I'm looking at each time. I sent an email this morning saying, here's where you are at, this is what is going to happen, you are getting a little close to our limit, but you are okay.

Mr. Haste: Let's reinforce a practice you started last year of every single meeting taking a look at the personnel packet. What Mike will do is when he gets the personnel packet on a Workshop between a Workshop and a voting session; he'll do an analysis so we will know exactly where we are at on it.

Mr. Yohe: It will be a little different. If you remember last year there were positions that weren't budgeted. I can give you a report on where we stand with the vacancy adjustments. I'll be happy to do that. Are there any questions on the budget amendment report? Next week I will ask for the approval.

Mr. Haste: Bob, can you list that as an agenda item for next week?

Mr. Burns: Yes.

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. Haste: We have items A through M and I see we need to take a vote on items A and B. Is that correct Bob?

Mr. Burns: Item A had been on last weeks agenda and was pulled and item B is a grant for EMA and Greg Kline is here to answer any questions the Board might have about that grant.

Mr. Haste: Is there any discussion needed on items A or B?

Mr. DiFrancesco made the motion to approve items A and B. Mr. Hartwick seconded the motion; motion carried.

Mr. Haste: Dan, item C, if you could before next week give us a little better explanation on that item. I know it's been ongoing, are we committed to this, and are we part of this? I have a memo here from before and I asked Mike Yohe how we were paying for this and I know it was paid out of the hotel tax.

Mr. Robinson: That would be historically paid out of the intergovernmental line item. That was transferred to the hotel tax in 2002. We are not committed to it, it's a yearly subsidy or support payment. We did pay it the last two years.

Mr. Haste: What do we get out of it?

Mr. Robinson: The South Central General Assembly is a regional entity much like Tri-County and the Chamber. What we get out of it directly is membership in that organization.

Mr. Haste: In other words, feeling good. What does that do for us?

Mr. Robinson: Nothing.

Mr. Haste: Okay.

Mr. DiFrancesco: Have you been attending the meetings?

Mr. Robinson: Our office has other economic development entities. I think if you look at the list of their Board of Directors, it includes just about every elected official in the region.

Mr. DiFrancesco: What has been the direction of the organization. What have they been striving to achieve?

Mr. Robinson: They have been primarily focusing on KOZ's in the past couple years and they have also coordinated the Light Rail, as well as some of the regional planning with tourism. They are holding a meeting on March 5th down at Shippensburg University, which is their Annual Conference.

Mr. DiFrancesco: What are they focused on, are they focused on planning?

Mr. Robinson: Planning and regional coordination.

Mr. DiFrancesco: What's different between them and Tri-County?

Mr. Robinson: Not a whole lot except their scope. They basically have two staffers working out of Penn State, which is through Craig Zumburum and the Mayor's Office. They set that up about 10 years ago, the South Central Assembly. Maybe it would be useful to have them come in and let us know what the return on this investment is.

Mr. Haste: If all they are doing is duplicating our other planning process I'm not sure why we are doing that. I see a wave.

Mr. Szymborski: The big difference in mission for them is that they represent 8 counties, where Tri-County represents 3 counties. Dan did mention that some of their mission statements are similar to what we do. They were proposed several years ago as a "think tank".

Mr. DiFrancesco: Is it more focused on policy or planning professionals?

Mr. Szymborski: Originally, it was policy. One of the tasks they are looking to perform now and have come to the HATS organization is the County goods study. That will be up for discussion within the next year or so.

Mr. Haste: So that's where this came out of? That study that we kicked around in HATS came out of this organization.

Mr. Szymborski: Correct.

Mr. Haste: I hadn't linked that together.

Mr. Hartwick: I raised a question, as well. I tried to deal with the organization and feel that it is not as responsive as it needs to be in trying to coordinate activities within those 8 counties. When we brought Irv to the table and tried to find out where the sites are listed and didn't do a great job in responding. My concern was what are we getting for the investment? I think the only one who could answer that fairly was Craig Zumburum. Before I vote to support it I need to hear from him about the return in investment.

Mr. Robinson: With your permission I will contact Craig and see if he can be available next week.

Mr. Haste: Okay. I was also handed a note that says we need to vote on item H.

Motion was made by Mr. DiFrancesco to authorize the Cow Parade to display three life-size fiberglass painted cows on the sidewalk in front of the County Administration Building. The motion was seconded by Mr. Hartwick. All were in favor. Motion carried.

Mr. Haste: Commissioner Hartwick would like to discuss items G and M.

Mr. Hartwick: Point of order on G, I'm still at a loss, and I have expressed this concern to Bob Burns and to the legal staff about change orders for the Courthouse Renovation project. I'm in a position where I don't know why we have to extend individual contracts and pay for some contract extensions. Some individuals come and ask us to extend contracts and we don't have to pay for the extension. Also, I have still been unable to define what are the reasons for the hold up of this project, was it the Commissioners, was it an act of God, was it the courts? Who was responsible for the management of this project, was it Buchart-Horn? There are so many unanswered questions about the Courthouse Renovations and you see again some issue today with the purchase order and we had no money in the account. The idea of extending these contracts and still not receiving solid answers to these questions, who's liable and responsible for the extensions to this project, is something I feel uncomfortable continuing to offer extensions on. I think there are some serious questions that need to be answered on this topic and I'd like to try and get to the bottom of it. I know Bob has negotiated some of the contracts for us to have the McKinley formula to make those payments to individuals to extend their contract. I've been assured by Mike Yohe that those kinds of payments were never made to contractors in the past, before this project was undertaken and clearly we need to figure out what the answers are to these questions. I would like to find some answers before I vote on any extensions, whether they cost the County money or not.

Mr. Knupp: Mr. Commissioner I've been assigned to this since November of last year. The reason I think I got assigned is because I was also around in 1987 when the Spring Creek addition to the Dauphin County Prison was extended. What we're talking about is something that is called the Ikely Formula. The Ikely Formula essentially says that when you tell a contractor that he is to precede at a certain date and he is to conclude his work at a certain date. That if you then as the owner extend the date you have really extended the time that the contractor must remain on the job. To the detriment of the contractor who has not had the opportunity to use the time for the purpose of bidding other contracts and working on other jobs. That's as simple as the Ikely Formula is. In this instance what you have are a combination of things that I've learned in getting acquainted with it recently. I'll be very brief because of the hour. The first is Whiting-Turner was asked to become the construction manager on this contract and began as the construction manager. This is the Courthouse Improvement Project, Phase I. That project was to begin sometime in the mid-May of 2002. For reasons that have not been explained by Whiting-Turner the project did not commence until June 10th, 2002. You

then had, at the very beginning, a one-month delay in the contract that was never adjusted by Whiting-Turner with a completion date that was put into the contract of December 19, 2004. When you got to December and you remember your votes I'm sure on this thing, you had to extend the time first of all by one-month so that the Solicitor's office could at least understand what was going on and we came back to you and we said it is the recommendation of Buchart-Horn, and recall that Buchart-Horn in the midst of this contract replaced Whiting-Turner at some time in April of 2003. The time to complete the work on the 5th floor of the Courthouse, where the library was formerly located and where it is presently, finishing an eighth courtroom and a chamber and another chamber, which would be connected to the courtroom that I think is presently used by Judge Clark. The time to complete that would take until May 14th, 2004. Hence we have an extension of about 120 days, at least 30 days of which may be attributable to the failure at the beginning of the contract to adjust the contract properly, which is an issue still pending with the Whiting-Turner folks.

Then you have 90 days. How do you explain the 90 days?

Well, there are a number of things. The first is that there were certain changes made in the project after the project was designed. The second is that there were certain phases of the project, which were supposed to take place, which did not take place as planned. Something you contract on is the Critical Path Doctrine. Again, this is the painful memory of 1987 coming to the forefront. What the Critical Path Doctrine is, is much like what you have as a dead reckoning situation when you are on a sailboat from Point A to Point B. Sometimes the sailboat doesn't follow the direct line and gets blown off the course. What you have to do in order to understand the entire thing is go back to the critical path of this contract and find out where the deviation took place. There were some shut downs. The shut downs occurred when the courts were in session. The Judges said they couldn't conduct court with the noise, we have to shut down the project in order to have a jury trial completed. There were design changes, there were project changes, there was a whole accumulation. I'm not the professional that should answer the question. With all due respect Commissioner, I'm just giving you my impression of what I've learned by talking to the professionals involved. The situation is such that because of the Ikely Formula certain contractors have asked for damages. Because, first of all, the scope of work. We have six contractors under the Separations Act. You have three contractors that are essentially involved in the completion of work. They are Costanza, Herre Brothers and Heim. Those who have asked for damages we have compromised the damages claims substantially, we have brought back to you our recommendations with respect to those. You have three contractors whose contracts really are virtually completed. They are, J.R. Reynolds, Thiessen-Krup, the elevator contractor and the one that's on for today, Triangle Communications, your security contractor. Remember under the Separations Act that all contractors are considered to be prime contractors that's the way the law is set up. With respect to the one that is on the agenda for today, for workshop and which I guess you will need to make a decision on next week there is no additional cost to the County and the reason why is because all of the work is done, except for what would be considered to be normal punch list work at the end of the contract. I'm sorry for the length of the answer.

Mr. Hartwick: No, no. Actually, I think it has been helpful. However, isn't there a part of the contract when a company engages with Dauphin County in order to perform the work, if they don't perform that work by a certain date, aren't they responsible then for any of our costs and damages in order to extend the project? As we were in fact for those other individuals costs?

Mr. Knupp: There is a duty to complete. When the duty to complete is extended by extensions caused by the owner of the project, then that duty to complete clause takes a back seat and puts the contractor in the driver's seat.

Mr. Hartwick: It just appears when it's viewed as us having to give extensions to folks, we're willing to pay, but when it is other folks who have to extend their contracts with us they are willing to do it freely and not hold individuals accountable within the scope of the project. That's obviously a portion of my concern.

Mr. Knupp: I understand. I can't address it generally, but I can address it specifically for this project.

Mr. Haste: I don't know that we aren't holding people accountable. I would hope as we go through this as we see costs are overrun that there are places where we can recoup a cost, we surely ought to be doing that.

Mr. Knupp: I agree with you Commissioner Haste. I think that is something we are doing. I've been working principally as you know with Mr. Tully on several issues involving that.

Mr. Hartwick: Just not to belabor the subject, but you said about 1 month initially that we could pin on Whiting-Turner. Do we have a time line on delays that have happened by Commissioners and by the Courts? Does it equal to the five months that we've extended it out?

Mr. Knupp: Well, its 120 days not 5 months. Then you take 30 days off for Whiting-Turner and it's 90 days.

Mr. Burns: I can tell you Commissioner; it's not even remotely close to 90 days. If you took the delays that the Board or that the Courts may have shut it down, you might be talking about a couple weeks, maximum.

Ms. Thompson: I know Mr. Knupp has given you the long version. When Commissioner Payne was here he was essentially the steward of this whole project. When he left, for a while there was no steward. As you are aware they have formed a Renovations Committee and we meet regularly. In fact we have a meeting at 2:00PM this afternoon. I know the President Judge would be more than willing to have you come discuss a lot of these things in detail. Had there been some Court shut-downs, a few, very minor, nothing of days, more of hours or half hours, or 15 minutes, until they can take a break.

There were no major Court shutdowns ever in this project. But if you'd like the timeline, please 2:00PM this afternoon join us in the President Judge's chambers. We'd all be happy to help you get more familiar with this, the cause of some of these change orders, the costs and that type of thing.

Mr. Hartwick: I know I have other commitments but maybe we could get Kacey to go there.

Ms. Thompson: On behalf of the President Judge, I know he would be happy to set another meeting for a time where you are available with all of the principals, Edgar's there, Bob's there and help you understand what is going on. It has been frustrating for everyone involved in this.

Mr. Hartwick: We've just got to figure out the timeline here, because it seems like we are just paying more out in contract extensions than we've actually set back this project.

Ms. Thompson: It should be looked at. Thank you.

Mr. Hartwick: Thank you.

Mr. DiFrancesco: Just for clarity. The one on today's agenda does not bear any additional costs.

Mr. Knupp: None. There are three that are at no additional cost.

Mr. DiFrancesco: Is there an additional one that will be coming eventually that will bear a cost? Are we done with the ones at no additional cost?

Mr. Knupp: I believe you have addressed two of the three. You addressed Costanza and you addressed Herre. Heim is the one I mentioned in a memo recently circulated, about \$43,000.

Mr. DiFrancesco: One more additional that we have to address.

Mr. Knupp: That is correct. Not to burry it, but there are change orders. But the change orders are all pre-December 19th. In other words, for work that has been completed. Please, I beg or mercy, I am just the messenger.

Mr. Haste: The more I look at this the more you talk about doctrines the more I believe a doctrine that I used in a previous life, the ACS doctrine was never used in this. That is Add Common Sense. This whole thing lacks some common sense at times. All right, item M?

Mr. Hartwick: I wanted to make a comment on item M. In recent conversation with Sharon we talked about doing an authorization letter for an outside professional service contractor who did business with the County previously to come in and take a look at

our existing healthcare data to make proposals. Number one, I believe this Board sincerely wants to do as much in house as we possibly can without spending money on outside contractors. That's why we have individuals in the position to manage that project. Sharon has assured me that she is beginning to gather the data to do what's necessary in order to bring that to our attention. I do think it would be helpful, however, if we do authorize Gallagher Benefit Services to take a look at this, as we do with everything, to open it up for multiple folks to do it. So we are making sure that we get the best value or deal for our investment. I don't believe that just going with an individual horse in any case. We ultimately want to go with the best value and investment to our tax paying residents of the County. I think competition breeds better proposals. Ultimately, if we are going to move forward, I think it is a worthwhile venture. My idea in this process is as you know is taking a look at all of our healthcare expenditures and thinking about ways to minimize the impact on our General Fund budget. Some of these individual consultants have the ability to leverage large accounts along with ours in order to gain better deals for the County. If we do choose to do an engagement with an outside contractor based upon proposals that are submitted they need to keep their scope very small. We will need to engage them for two years for actually what may only take about one month and a half to two months of negotiations for healthcare. We need to make sure that we keep the scope of the project and to be there as a resource to negotiate the deal and leverage these large contracts in order to get Dauphin County the best deal. I don't think we should be calling outside consultants more than what we need to in order to service the County for multiple years. We need to get a value for our investment and that may occur at the time we negotiate new benefits. Beyond that I don't believe there is a real reason. So, as we talk to these individuals and we engage those folks we need to be specific in what we are looking for from them in the proposal and let them know that their services are needed only for a short amount of time as it relates to the actual negotiation of those benefits. Not to provide ghost services that often occurs with these long-term contracts.

Mr. Haste: Anything else?

SOLICITOR'S REPORT

Mr. Knupp: As submitted. I'd be happy to answer any questions.

Mr. Haste: Any questions for the Solicitor? Any further comments from the Commissioners?

(There were none.)

PUBLIC PARTICIPATION

Mr. Haste: Is there anyone in the audience that would like to address the Board at this time?

(There was none.)

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn?

Question: Mr. DiFrancesco moved to adjourn the meeting. Mr. Hartwick seconded the motion. All were in favor. Mr. Haste called the meeting adjourned.

Transcribed by: Jena Wolgemuth
2/19/04

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff
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