



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

WEDNESDAY, MARCH 3, 2004

10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Robert Dick, Treasurer; Carolyn Thompson, Court Administrator; Steve Farina, Prothonotary; Tom Guenther, Information Technology Director; Gary Serhan, Controller's Office; Bob Knupp, Esq., Assistant Solicitor; Steve Howe, Tax Assessment/Tax Claim Director; Diane McNaughton, Communications; Richie Martz, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Robert Burns, Commissioners' Office; Garry Esworthy, Risk Manager; Dave Schreiber, Personnel; Sharon Ludwig, Personnel; Randy Baratucci, Purchasing Director; Mike Yohe, Budget Director; Mike Pries, Security Director; Kay Sinner, Personnel; Faye Fisher, Personnel; Edgar Cohen, Facility Maintenance Director; Melanie McCaffrey, Solicitor's Office; Bruce Foreman, Esq., Assistant Solicitor; Jennifer Kocher, Communication's Director; Lena Martinez, Veteran's Affairs; Shari Eagle, Information Technology; and Julia E. Nace, Assistant Chief Clerk

GUESTS PRESENT

Jack Shertzer, Patriot News; Denise Francis; Loretta Barbee-Dare; Lisa Wilt, ZA;
Dolores Reidenbach, ZA

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 the February 11, 2004 Salary Board Meeting Minutes and February 11, 2004 Legislative Meeting Minutes that we will place on the agenda for approval next week.

PUBLIC PARTICIPATION

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

PERSONNEL

Ms. Sinner: In the vacancies listing, I would like to pull Item #3 of the Salary Board action. That leaves two Salary Board actions. A Maintenance Worker I in Parks & Recreation and the creation of two full time Deputy Sheriffs for the Sheriff's Office. I would like to add that per the union contract these two employees have worked enough hours to qualify them for full time status. That is the reason that we are requesting abolishing the two part time Deputy Sheriff positions and creating two full time Deputy Sheriff positions. The contract provides that once they work the required number of hours they become full time. We just want to have their position titles reflect that they are full time because we anticipate them continuing to work enough hours to qualify as full time.

Mr. DiFrancesco: These two positions are not the ones that are connected to the grant?

Ms. Sinner: They are.

Mr. DiFrancesco: Then my question is, and maybe I misunderstood, this is listed as 100% County funded.

Ms. Sinner: That would be federal reimbursement.

Mr. DiFrancesco: That would be reimbursed through the federal program. But in fact was being paid through the grant program.

Ms. Sinner: That is correct.

Mr. Haste: Can you make sure these are the ones that the Sheriff was talking about last week? I think they are but let's make sure.

Ms. Sinner: I will.

Mr. Haste: The other question that I have is, this appears to be somewhat of a loophole where the Sheriff could get full time positions without going through Salary Board. We have part timers – if we do not control their hours under the union contract they become full time without Salary Board approval.

Ms. Sinner: What happens is they actually do go into a full time range with benefits and accrued leave, if they work 425 hours in two calendar quarters in a year they go to full time status. But then if the next year they don't work that many hours they go back to part time. They can go back and forth between these ranges without the position title change.

Mr. Haste: Have we had anybody go back?

Ms. Sinner: We have had some people go back, I'm told. I don't know who and I don't know how many. These of course we anticipate staying full time and that is why we are actually changing the position title.

Mr. DiFrancesco: Where's the monitoring done for that?

Ms. Sinner: I would say the Sheriff's Office will monitor that.

Mr. DiFrancesco: So it's not something that the numbers come through Personnel and you guys.....

Ms. Sinner: Actually they would have to communicate to us to change the pay range.

Mr. DiFrancesco: But it would be them overseeing it, not you?

Ms. Sinner: Correct.

Mr. Haste: Is there a way that we can track these overtime hours so that we have an idea when part timers are going to become full time? It appears to be and I'm not sure how we can enter into a contract that basically skirts the Salary Board law.

Ms. Sinner: I know Lori Bushman is aware and is in communication with the Sheriff's Office. I can find out more how this goes and how often it occurs. It is a rather unique arrangement.

Mr. Haste: I know the Sheriff is conscientious. I'm not trying to suggest anything that he is not. I know there could be a different Sheriff there with a different philosophy. It seems odd that we have a situation where positions can be created basically going from part time to full time without Salary Board action.

Ms. Sinner: Technically they are in full time status even though their title is considered part time.

Mr. Tully: If I could, the history is, almost all the deputy Sheriff's were part time. As a matter of fact, there was a preference for many of them not to want full time positions where they would be locked in. They wanted the flexibility. On the same hand, the Sheriff's Office desired flexibility because they were not predictable schedules. Basically they adapted personnel to court schedules to service a process schedule, etc. It seemed to be a balance that worked for both sides. The union's concern was they didn't want to essentially have part timers working full time hours and depriving them of their full time labor members. It is a unique situation that seemed to work favorably to both sides. But I think it is prudent to keep an eye on that to make sure it is not abused at some time in the future. I think, Danny the First Deputy, monitors that would be the person to talk to. If you want, I can make contact there.

Mr. Haste: What would happen if Salary Board would decide not to approve those full time positions?

Mr. Tully: They would not be full time positions. The only issue is, it is basically an issue where their benefits have to be paid under the contract because of the certain amount of hours. So essentially, what the contract says they are not really becoming full time. They just receive all of the benefits of full time as long as they have those quarters that they are working those hours. So in other words, it would happen back and forth without the Salary Board being required. In this case, there is a Salary Board action to convert two part time positions to full time acknowledging the fact that they have been perpetually in that range of hours. It's not what you would want in every one of the contracts, that's for sure.

Mr. Haste: I think we need to keep an eye on those and I ask that we get a report whenever it is getting close to those numbers. It may be warranted but at least we have the opportunity to know that and have a discussion with the Sheriff.

Ms. Sinner: Okay. On the vacancy listing, I wish to point out, there is a request to fill a vacancy that will be coming up for a full time Victim Witness Coordinator. This position will become vacant after April 23. We are just being proactive in trying to replace that person ahead of time. Are there any questions on the vacancy listing?

The new hires listing, I have no problems with that. On the changes listing, I would ask that item #29 be pulled. That's in connection with the Clerk/Crier position. We have no resolution on that yet.

Mr. Haste: I don't have a twenty-nine.

Mr. Hartwick: We have only 25.

Ms. Sinner: I'm sorry, it is 25. There is an addendum, one new hire and two vacancies on the vacancy listing addendum. Then there is the overtime report for pay period #4. And there is a request from the Prison for overtime that would be for pay #6. That's all I have.

Mr. Haste: Are there any questions for Kay? Marie do you have any for the Salary Board?

TRAINING PACKET

Mr. Saylor: You each should have a copy of the Training packet. I believe there are twenty items. All of them have been pre-approved.

Mr. Haste: Do any need action this week?

Mr. Saylor: No, I don't believe so.

PURCHASE ORDERS

Mr. Baratucci: You should have received your packet late yesterday. There are a couple of over budgets that we need to correct as usual. I wanted to direct you to pages 8, 9, & 10 because these are some items that I think you had some advanced notification. It is equipment items that are being run through the Adult Probation and Work Release Cost Centers. However, the monies for these will be put in out of the Supervision Fees. What we have worked out is we would get these items onto the packet so that we could come up with a total. I'm going to give a copy of that to Carolyn and she will work with Probation and the Judge to get the money put in from Supervision Fees to cover all the equipment items that you see on 8, 9, & 10. That would be corrected before next week's approval. The other items that are showing over are just some line item adjustments that need to be made in the Prothonotary's Office and at Spring Creek.

In addition, I believe yesterday the courts put in a request to Commissioner DiFrancesco to have an item added to the packet. In fact, have the item approved today. Let me give you a copy of that and then I will explain it. This is some supplies that are used for the Paces program in Domestic Relations. We buy these toner cartridges and they fit printers that were purchased out of the Paces money. We buy these on a regular basis but it is part of a state agreement for state-wide pricing. The

prices are going to change next week. So they wanted to save us a small amount of money if we get the order placed this week. They would like to phone the order in with the idea that a purchase order would come next week. I just wanted your approval to do that. This will be added onto the packet. I would like to commend them for looking at that because a few bucks is a few bucks even though it is coming out of the Domestic Relations fund. It is still a savings. If we could have your okay to go ahead and phone this order in, it will be added to the packet for next week.

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco for authorization to be proactive in this purchase order; motion carries.

Mr. Baratucci: All the other items in the packet will be held over for next week unless you have any questions on it that I could answer now. Otherwise it will be there for your approval next week.

DEPARTMENT DIRECTORS/GUESTS

A. Steve Farina, Prothonotary and Tom Guenther, Information Technology Director

1. Proposal for record management – Iron Mountain.

Mr. Guenther: Steve and I are here today. It is listed on the agenda for proposal for records management & Iron Mountain. It is probably more of an update on our records management plan and a discussion on some items that we're having with our services with Iron Mountain. We are here just to get a few things in front of you and look for some direction as we move forward with our records management program.

The records management program for the County consists of a variety of different process. It is the paper storage, electronic storage, moving into optical and even our microfilm process. It is a combination of a variety of different facets. We asked each department to manage their records management program in accordance with the Historical Commissions County Records Policies with each department's individual needs for their records storage. So it is a combination of those two factors.

In the year 2000, Dauphin County contracted with Iron Mountain for offsite storage of the paper records to try to improve some of the storage space throughout the facilities. We have been doing that the last couple of years. We have had some success but I think there are some adjustments that we need to make in the program in order to minimize some of the cost and improve the service delivery.

The three areas that we want to talk to you today about are first of all with that program, we're having a high cost in our retrieval. There is an expensive charge if you retrieve anything from the storage facility. We need to look at how to better do that with the program. Many counties have instituted in a records management plan – they've instituted a county historical archive center. It's something that we have not been able

to get accomplished here at Dauphin County. I think it is something that we want to try to get on our agendas as something to do to improve our records management.

The third area is that we need to look at a little bit better administration of the whole records management program so that we have timely destruction of records and a better implementation of the plan.

The first thing that I noted for you was that there is a funding source that allows us to assist in the whole records management program. It's not that this is all coming out of general fund monies. In 1988 there was an act that was called Act 8 that was developed. The source of funds is that for every document that is filed in the Recorder of Deeds Office, there is a \$5.00 fee. The Recorder of Deeds keeps \$3.00 of that for his records management program and \$2.00 is dumped into a county-wide records fund. Then we are asked to manage that fund with the committee. The committee is comprised of the Commissioners, the Sheriff, the Prothonotary, the Clerk of Courts, Register of Wills and the Treasurer.

I believe at last count that fund is about \$150,000. There are some funds available to do some projects. For the record, the Recorder of Deeds fund, I'll be working with the new Recorder, as we look to bring the image base solution in for him. We'll be using those records fee funds in order to do that. Mr. Zugay and I have talked and we're trying to shoot for a target date for the beginning of next year after he really gets acclimated with his office procedures and gets a handle on his whole office so we can look at the new system for his office.

The first issue that we really have here is with our file storage and retrieval costs. Currently we are storing about 7,500 boxes with Iron Mountain for all the different County offices. Our monthly cost for storage is averaging about \$3,000 and our retrieval cost is averaging about another \$1,000 a month. Our big retrieval problem is right here with Steve in the Prothonotary's Office. I say second, we are getting a lot of retrieval requests for our Personnel Office. Records that have been moved out and Personnel then needs to bring them back for whatever action that they need. Obviously, in the civil court arena that seems to be where we are having most of our activity. We pretty much had to use Iron Mountain for a storage facility even for Steve's records.

As we are looking at this through the Act 8 Committee, we have a few recommendations. First of all, the storage of records at Iron Mountain should continue for offices that don't have high retrieval rates. It's cheap warehouse space. There is a charge for us to do a permanent withdrawal. So the County's going to be hit with expensive charges if we just say we want to get out of the Iron Mountain contract. So where we have storage and no retrieval, for the present time we probably look at continuing to use that facility. Where we have departments that are doing a lot of retrieval, we would like to consider bringing that back in house and using the County warehouse facility as our storage facility and using County personnel to do retrieval as necessary. If that would be acceptable, we're going to have to work with Bob Orris and

with Randy Baratucci to look at that facility and look at the shelving options that are out there and see what is needed to make that a good storage center. Again we have Act 8 funds available for that and the Historical Commission has even said that we could look at grant funding for shelving systems out there.

The second issue that we wanted to bring to your attention was this concept of the County Archive. Again many other counties are moving to this. We have a centralized records archive for historical and research purposes. Currently, each county has to do this function on their own. So if Steve's office gets a request for any historical information, his staff is pretty well pulled off for that request at their convenience to do that research information and get it back to the public. If we could get that historical information in one central archive, and look at funding that through with some part-time personnel using Act 8 funds, we think that would be a good concept. The issue becomes the facility to have a county archive and where we could do that. Steve and I have been on tour of the buildings and looked at different possibilities. The one that we have thought might be of value would be out at the warehouse facility outside the Print Shop and Coroner's Office where "The Gift of Life" is currently situated. It would be easy access for the public and a place to create an archive. That would be a recommendation from us and I know you would have other considerations with that. We have also thought about if there would be any ability to construct some other form of building with Act 8 funds to create a separate archive. Again we are looking for direction on possible building space to move into this kind of concept. Historical Commission again would be supportive of this possible grant funding that we could acquire to create this.

The third point would be just the administration of this program. It's difficult for the committee itself to consolidate all the efforts for the different departments and programs of administration of records management. We are finding that there are a lot of documents that are stored out at Iron Mountain that have extended past their destruction date and could be gotten rid of and reduce the storage cost. I think it would be prudent on our part to consider somebody that would serve as a records manager that would work with each department on their record strategy and look at getting records out of here and destroyed when that would be at the right time. Also, we need to work in areas as to how to be more efficient with their different record storage. Again, it would be a consideration that we could look at Act 8 funding to help fund those types of positions. We are making a move to the image base solution/electronic imaging. We have implemented that kind of solution in Steve's Office. It has been highly successful. I think it will be another year or two before we see the benefits of it where we are having civil court records that are easily accessible on line and we don't have to go back to the paper. It is going to take a while to build up to that where we get the useful value. But we are already starting to see the benefits of that. So those are the three areas that we bring to you today just to really get a discussion started and make it known what the Act 8 Committee is working on and where we are at. Steve do you have any other comments?

Mr. Farina: Mr. Haste has been to one or two of the meetings I believe. Tom pretty well summarized everything. Basically we are looking for some direction. Act 8 meets quarterly. We probably spent a year and half just rehashing the same thought processes over and over. Do we continue in this direction?

Mr. Haste: Did you figure out what square footage you need? You know we have talked about....

Mr. Guenther: For the archive?

Mr. Haste: Yes, is that in here?

Mr. Guenther: No. It is not in here. We haven't been able really to determine that. We need to know what truly needs to be in the archive. There is a difference between just record retention and historical records.

Mr. Haste: I think we had talked about the basement in the Veterans Memorial Building and it was determined I guess by the Historical Museum folks that it's not a good location.

Mr. Guenther: I know they didn't like the low ceilings over there which limits our shelving options.

Mr. Farina: The cost of storage goes up if the ceiling is lower of course.

Mr. Haste: There are false floors in there. I don't know if it would help in some areas to take it out. It was once the EMA Center and I don't know how much cabling is still in there. That still may be an issue. I asked Graham to be here today, but he had another commitment. When I talked to Graham about "The Gift of Life" space, he is actually hoping to expand their duties. He went into great detail about tissue donations and what they need to do as to how to store that and the different other body parts that they need to store. I think what we need to do is have a conversation with Graham. He was going to take a look at their lease. He was actually looking to expand their lease and try to get additional money, because they want to expand what they are doing there. If in fact, that is going to be the case, it makes the most sense because you need to have that very close to his facility because as he was explaining to me timing is very crucial in preserving some of these tissues. It needs to be right where he is. I had a conversation with him and he wasn't thrilled with the idea of losing that space. He seems to think he needs that and wants to expand the role they have there. The reason I asked about the square footage, I understand there is another bay or something there that we might be able to take a look. I saw in one of your recommendations was for Randy and Edgar to get together with them to try to find space. I think we ought to do that. One of the first things that we need to do is get a ball park of how much space we need. Otherwise we could end up being in a situation where we have put it there and find out that it is not adequate and then we got to find another location.

Mr. Guenther: We can work with the Historical Commission and try to inventory what truly should be in the archive.

Mr. Haste: I think we ought to move down this road. It doesn't make sense to send out material that we need to retrieve on a frequent basis when it is clear that we have empty space in this county. Another thing as you were talking, I was trying to think what might be located in the Courthouse that could be moved to this building or to another building since this is where most of the retrieval appears to be done. Maybe a downtown location be the best place for retrieval. It may not work. But I think we need to take a look at that. I think you are on the right track from my perspective. I think we need to move down this road. It appears to be more cost efficient not only from a dollar standpoint but probably for Steve's staff sake of trying to deal with things reasonably close.

Mr. Guenther: We can proceed with getting statistics on what space we need for an archive. We can work with Iron Mountain on bringing back records or what needs to be out at the warehouse to cut down these retrieval costs. We can start with that.

Mr. Haste: Are there certain conditions that we need in the rooms such as humidity? Are we looking at that kind of issue with storing of these documents?

Mr. Farina: If you had ever visited Iron Mountain, it's not that. It's just a shell warehouse.

Mr. Guenther: The archive center we should consider some climate control.

Mr. Haste: For the historical?

Mr. Guenther: Yes, for the historical records. We probably don't need that for storage. If they are in a seven to ten year retention period, we certainly don't need that.

Mr. Farina: We are really talking two separate needs. The archive historical room and then record storage.

Mr. Haste: Okay.

Mr. Hartwick: I have a few questions. You talk about taking a look at County office space. I think this is another good point to raise about the analysis of all county office space; which needs to be done. We need to take a look at the potential, where the space exists and how we may be able to fit in these facilities. I just need to make the case again for that type of study to be moved forward. I saw some information back and forth about a study that was done several years ago. Hopefully, that would be a good starting point but we need to stay on top of that. This is another example of how we could be cost effective, save money by getting inventory and moving forward on that project.

I have a question as it relates to trying to deal with our document management. How do we currently get rid of any sensitive material or paper that needs to be shredded and anything that needs archived?

Mr. Guenther: We do have a shredder at the County warehouse. Bob Orris has the shredder, if a department wants to dispose of records. If they would have a high quantity, they would send them to him for shredding.

Mr. Hartwick: What about currently in office with trash, etc. that are taken out of certain offices that may include sensitive information related to individuals or county business?

Mr. Guenther: I would say again, that is a departmental function to all departments that have their own individual shredders. It's their responsibility to shred as they see fit.

Mr. Hartwick: Solicitor, do you think it is a good idea for us to begin to take a look at some of the requirements of interoffice information and making sure that we're monitoring individuals as they are getting rid of documents to make sure that there is nothing out there in the trash that should not be out there in the trash? I know we have an obligation to do so.

Mr. Tully: We certainly do. I'm not aware that there has been a problem so far but again I think you need to be proactive to avoid that. I would also point out that one of the reasons that Iron Mountain was used was not just for storage but they have their own experts in the area of retention and destruction. Essentially they have been doing a lot of the screening and destroying of old records that don't need to be maintained. Obviously, as we start maintaining offsite we are going to have to make sure we've monitored that and destroyed in a timely fashion so again we're not getting into a situation where we run out of space simply because we're storing things that we don't need to store. I think it goes hand in hand to avoid destruction of things that shouldn't be destroyed and also making sure that things are destroyed in a timely fashion when they're allowed to be because it can become a liability instead of an asset.

Mr. Hartwick: My concern was more and I think the appropriate action is being taken out at the Iron Mountain facility. My more immediate concern is what is happening here internally. As we throw paper away, obviously we should be recycling but as we get rid of paper are we making sure that information is being destroyed or is it just going out in the trash with the ability of that information being reviewed by anybody who is taking out the trash.

Mr. Tully: My suggestion would be when the committee deals with the various departments to come up with a retention storage strategy that they also include a comprehensive review of destruction maintenance, the whole works. I think that would be probably a more efficient way of tackling the larger chore.

Mr. Hartwick: The only reason I bring this up is that it was brought to my attention by a gentleman who was in this industry, Goodwill Industries, also he is serving on our Drug

& Alcohol Board. Also, I wanted to talk to individuals within the County to see if there is any place for them to be involved with shredding. I ask if you could after the meeting maybe, get his name and number and maybe include him in taking a look at these sensitive issues. He has actually made me aware of this. He was taking a look at my trash in my office making sure that it was disposed of properly, no information got outside into hands that it shouldn't. I think that should be looked at in a comprehensive review of how we deal with our documents.

Mr. Haste: Does Iron Mountain.....Bill was talking about that they go through and make certain determinations on what to keep and what not to keep. Do they do that for us? I thought they did maybe early on but I had the impression they don't do that any more.

Mr. Guenther: They're not really doing that. They set the records schedule that has the retention period. Because it is automated they can get the information back to the department saying that they have hit the retention period. They really haven't been proactive in that.

Mr. Haste: Are there any questions?

Mr. DiFrancesco: Just a comment to say that I think this report is obviously going in the right direction but also to continue to take a look at, which you guys are, the more potential we have for revenues to be coming in as we make information access easier to the various firms that are dealing with the Courthouse. We have potential revenue streams. Of course, one of the things that we have been talking a lot about is to try to maximize those revenue streams. So not only can we reduce our costs by getting rid of the paper we can also gain some additional revenues by making it more readily available. You guys are doing a great job.

B. Garry Esworthy, Risk Manager

1. RFP's – General Liability Property Insurance

Mr. Esworthy: On the subject of records, one of the things I'm looking into presently is a Record Retention Policy because I don't believe the County has a comprehensive record retention policy. That's one of the things that we are looking at doing. I spoke to Faye Fisher last week about seeing if there is some documentation. I cannot find any. That's one of the things that we need to do.

The other thing that we are doing is also with the HIPPA is doing some training with departments and letting them know what records need to be destroyed or shredded. It's occurring as we speak. One of the things that we will be coming back to you for is a comprehensive record retention policy and how long to keep records. The reason I got involved in that is because of some of the lawsuits that we do have going back and finding records that are needed and we don't have them. We're looking at that.

Mr. Haste: You're saying we don't have that?

Mr. Esworthy: I cannot find any Record Retention Policy. It says, this particular record either.....

Mr. Haste: I know when.....Records Retention Policy.....I remember back in my previous life here, we had a document and booklet on what had to be retained and what wasn't retained. We worked with the department heads on that. Is that still around? Jul is shaking her head, yes.

Mrs. Rebuck: There is such a policy. It is distributed from the Pennsylvania Historical and Museum Commission. That is the policy that our office follows as far as requirements, how long we maintain our records.

Mr. Esworthy: So if we could get a copy of that and see if it needs updated as to any other things that are going on. I would appreciate that especially in HR issues.

Mr. Haste: Jul do you have it? (We do have it.)

Mr. Esworthy: Good, that will take care of that problem.

The other issue that I'm here before you is, to let you know about the updates on the RFP's for general liability and the property insurance. As you know, I believe this is the first year we went out and did Request for Proposals for this purpose. There were six entities that requested these RFP's; Waypoint Bank; Black, Davis & Shue; Marsh; Murray Insurance; Gleason and AIA. We received five back. Waypoint Bank did not give us an RFP.

The next step in this procedure is to put a committee together. We have Mike Yohe, Mike Pries, Randy Baratucci, myself and one other person to be named to review these RFP's in their entirety. I think this is the best way of going about eliminating any bias that we may have. It lets us know those brokers who are out there who have the expertise that we need especially in government insurance and coverage. This is to be done between now and March 11. I have not heard any negatives from anyone of the people that we went out to about this procedure. In fact, some have called back and said this is the best way of doing it. They just want to make sure they have the opportunity if they want something to say. I think we're getting some good responses back. They were due back 4:00 Monday. We have received them and they will be distributed now.

The second thing that I want to talk to you about on insurance is that last year the coverage for Spring Creek was \$243,000. As a result of that I had anticipated a 10-15% increase which then I budgeted for about \$270,000. I have to tell you now that we have received our premium this year, it is \$173,000. So that's good to do. We're going forward on that. Again, that is part of the procedure of working with CCAP. CCAP has a program called Paragon Program specifically designed for nonprofit nursing homes

and county nursing homes. That's the avenue that we're looking for with all insurance. That's all I have for you today. I will take any questions that you may have.

Mr. Hartwick: One thing that I wanted to note, Garry, I think it is indicative of the way this Board has done business with going out and doing this on a competitive basis. No inside track, no relationships and selling out the taxpayers because they have political relationships. We want to open it up to a RFP process trying to make government more open, more transparent, and ultimately looking for the best deal for the taxpayers. That's the statement that we made as we came into office. I think through this process we're showing in real hard facts the way we're going about trying to gather business in the best possible providers in our areas. We are not just trying to do it based upon our political relationships. I appreciate your continuing to work and due diligence that you have given to the RFP. Thanks.

Mr. Esworthy: You're welcome. Are there any other comments or questions?

Mr. DiFrancesco: I guess I only have one hesitation. That is one of the companies that was working with us did not respond to the RFP and through communicating directly with them, their comment was that they would take a look at this for free and see what they could do for us. I'm not sure where they fall in or fall through.

Mr. Esworthy: Maybe I can explain the situation that I look at for free. What we are doing currently right now is soliciting a broker, nothing more. We're not going out for bid or anything else.

Mr. DiFrancesco: That's what this.....

Mr. Esworthy: Right. This is the first step in a two step process. What I want to look at are the qualifications of the brokers to see what they bring to the table or the experience they have especially in government. What type of services they can bring to us. After I review those then we'll go back and say this broker can do something. Currently, in this particular insurance market, what can they do for free? Very few things, I think they can do for free at this point in time. All they can do is say, I can be your broker, I can go out and bring in the services. They'll not be able to negotiate a contract with an insurance company. They're going to come back and say, this is the type of program we want, let's see what we're looking for. The insurance market currently is very limited for municipality insurance. Coregis, St. Paul, CCAP Program, and maybe one other market out there. But what's happening right now is a lot of those companies are merging together. So there's not a lot of opportunity out there. When somebody says they can do something for free for me, I really would like to know what they can do for free and what their experience is.

Mr. DiFrancesco: The other thing is, the business has to come after the money.

Mr. Esworthy: Right.

Mr. DiFrancesco: If they are not willing to put the RFP in.....

Mr. Esworthy: If they aren't willing to put the RFP together, there's not much we can do but it was extended to everyone.

Mr. DiFrancesco: Did we distribute that on a define list of companies that we wanted to go to or was it....where was it publicized?

Mr. Esworthy: It was not publicized because RFP's are not necessarily publicized for the insurance purpose. I went out with those individuals who I thought were decent. Black, Davis & Shue is our current broker. Murray Insurance is an entity based in Lancaster County that has a large municipality base. Gleason was our prior broker. AIA is a group that is over on the West Shore which is in close proximity and also has experience in this part of the government. Marsh which is one of the largest in the industry requested an RFP. I did not go to Marsh. Marsh came to me along with Waypoint Bank. I really never gave it a thought to go to a bank for broker services for insurance.

Mr. DiFrancesco: It's starting to be a big market.

Mr. Esworthy: I reached out to those individuals that I thought were good for the county.

Mr. DiFrancesco: Good deal.

We'll move onto the next agenda item:

C. Chad Saylor, Chief Clerk/Chief of Staff

1. Stream name change – PA Stream Signage Program.

Mr. Saylor: Commissioners as you know we were contacted by Halifax Township. Dale Shoop who is the road master has apparently applied for some small grants under PA Stream Signage Program which I'm told the program will pay to have signs put along streams identifying the streams with the name. The two streams that the township is interested in having signs placed – one of them according to the U.S. Geological survey has identified it as Powell Creek; however the locals have always called it "Powells Creek". The U.S. Bureau of Geologic names contacted us and asked us in order to move forward with these grants, they would like some kind of formal recognition that the actual name should be "Powells Creek" so this matter is now before us.

Mr. Haste: It is my understanding that this was actually initiated by the township.

Mr. Saylor: That is correct.

Mr. Haste: We don't need to act today, right? I think we should have it out there and let it there for a week. If we get any other comments, then next week we'll take official action.

Mr. Hartwick: I fish there and it is Powells Creek.

Mr. Haste: Everyone calls it Powells Creek, right. Okay, we'll take action on it next week. Chad, in the meantime would you let Halifax Township know that we're going to be taking action.

Mr. Saylor: I'll call Mr. Shoop and let him know it will run next week.

Mr. Haste: Next is Lisa Wilt, ZA Consulting.

D. Lisa Wilt, ZA Consulting

1. Spring Creek Presentation.

Ms. Wilt: Good Morning.

Mr. DiFrancesco: I'll do the introductions. I am very pleased this morning to be able to have this presentation for the Board. I know that you guys have given quite a bit of room to go out and spend a lot of money that has been unbudgeted. We have talked about this at the prior meeting. This is the first opportunity where we can have ZA come before us and sit down and have a good public report on their findings and some of the issues that are taking place at the facility. I'm pleased to have with us today, Lisa Wilt from ZA; and Delores Reinbach from ZA. They are going to present a power point presentation to us this morning. It's going to talk about where our expectations are; where the facility has been; where it is headed; what we still need to accomplish; and we're going to start to shed a lot of light on where we're going to come up with the money to do that. One thing that I'm glad to report, I believe that the presentation is still called Crisis Management Update but I think we can safely say that the immediate crisis is over. But the rebuilding process is taking place and the rebuilding process is equally important to the crisis management in that if we don't do this properly we run the risk of backsliding. That's why the contract continues to exist and that's why we have to move forward very diligently. Clearly when this Board of Commissioners came in, we knew what we had to accomplish out there and it was very clear as to how we had to accomplish it. We had to bring in a very strong management team because what I think you're going to find from the presentation today is Spring Creek was pretty much adrift. This Board did exactly what they said it would do. They acted sensibly to obtain the right group. I think in fact we have the right partner through ZA. My question so far as direct oversight is they have done a phenomenal job in identifying the issues and presenting the issues back to us so that we can take action knowing confidently that we're moving in the right direction. So with that, I think I'm going to turn the floor over and I may have some closing comments when you're done.

Ms. Wilt: To give you a brief summary as to where we are today. The full license at Spring Creek has now been restored. The good news on that means that we can begin, as of Monday, new admissions to the facility again. So we will start seeing new residents which will bring new revenues back into the County without actually adding very much staffing. The staffing levels do not need to change much for the incremental addition that will bring in new residents. That's good news on new revenues for the County. In addition, part of the work that we have been doing at Spring Creek is to create a better leadership environment that can really get the facility moving ahead in the directions that you needed to move into. So some of the staffing changes that had been made to date have included replacing the Director of Nursing. Right now there is an interim director of nursing that's in place. That is a very strong leader in the building working very diligently with the nursing staff. We hope to have a permanent replacement in that position soon and are actively accessing and recruiting for that position.

As a result of the crisis situation, the County received a civil money penalty notice which was the amount of \$31,500. We are working actively with Wolf Block on this settlement. We're hoping that we can receive some incentives from Medicare and Medicaid services a reduction in that fine just simply by presenting the hardship that the County is in currently. We know that if we chose not to appeal or take any action by March 26 we can at least get a 35% reduction in that penalty. We've actually asked CMS to give us an even larger reduction. Hopefully, they will be agreeable to that. I think within the next week, week and a half, two weeks at most we'll have a sense from them whether or not they are going to grant us further reductions and we'll be able to decide which way we want to move on that. Either taking the 35% or holding out for the additional reductions.

Part of our focus in regaining the license and being able to admit residents has defined the opportunities for new revenues that may have been missed and collect some of the outstanding receivables that were not collected to date when we came in as well as looking at the expenses and some internal controls. So one of the things that we are working on is submitting what is called a DMERC application. All that really means is that it is durable medical equipment regional carrier. We're applying to that regional carrier to receive a supplier number for Spring Creek which would allow them to bill for supplies that they currently are not billing for today. Today the enteral company is providing those and billing for those switching that process over to the facility billing. We'll realize approximately \$5,400 a month in additional revenue providing the same services that are being provided there today. So that will be good for additional revenue. We'll follow that application through, make sure that it gets submitted and then train the staff to get the billing done and stay on top of the billing to make sure that that happens.

One of the large areas of difficulty at the facility were the non-collection of the accounts receivable. Private pay was the largest area that had difficulties. With private pay, it is important to make that a priority to get those collections in because once a private pay resident switches over to Medicaid coverage, or leaves your facility either through

discharge or death, it's near impossible to collect the money that is due you. So we have put some policies and procedures in place to actively begin aggressively pursuing those private pay balances that are outstanding. One of the other things that we're doing for those private pay folks that have switched over to Medicaid that have exhausted their resources and have become Medicaid residents, we're looking to collect some of their old bad debt pieces against the Medicaid resources. So years end that will generate an additional \$54,000 in revenue to the County that otherwise would not have been collected. It would have been written off as a bad debt.

Mr. Haste: That's on top of the private pay money that you may get?

Ms. Wilt: Correct. That would be on top of the private pay. The active private pay, the ones that we think we have the greatest, 80% confidence level of collecting, the balance on those monies is about \$296,000. We believe \$110,000 should be collectable by years end. Some of the balances and the resident issues will involve some legal support and we'll have to work through some legal challenges to pursue those monies. So we're not confident all of them can come in by years end. But we're actively looking to collect as much as we can.

Mr. DiFrancesco: One of the cases that we're talking about which we will not be able to collect a large portion of it. We're talking about somewhere in terms of \$500,000 in past due amounts. This is where a resident had stayed in the facility for maybe six-seven years and had never been collected on. So this is money that we should have been receiving that was not being collected and a large portion of that we will not be able to go back and recover. This person was basically living there without making payment. We were not getting any recovery. So again, that lends to why the facility has gone over budget for so long. There was just no follow-through, no follow-up. They're stepping in now to try to address some of those issues.

Mr. Haste: Whose responsibility was that?

Ms. Wilt: That would be the business office the person in charge of finances. Each of the billers has the responsibility and they do today now. We're making sure they're following through. When any of the invoices that they submit are not paid, they need to immediately follow-up and find out what the problem is. None of that follow-up was occurring prior to us going in there. So the balances just sat and grew and grew and grew until they eventually became a bad debt and a write-off. We have made calls to all the private pay folks that are on the list that we want to collect against. To date, we have received about \$14,000 in at least good faith monies. So there were some folks that could immediately put up some money. Actually, I think it was more, \$40,000. I don't have the right number in front of me here. We have received some money from the folks that have told us they're going to look into cashing some stocks and bonds, things they can do to generate the rest of the money that they need to pay us. But those follow-up calls have done tremendous amount of good-will in getting that money in the door. We feel pretty good about what's going to come in and recovering those funds for the care that has been given at the facility.

Mr. DiFrancesco: One of the actions that we took, was to approve the packet of letters that they would be using for the follow-up to these. It was a concern to us and to me as well that all of a sudden when there has been no follow through and now all of a sudden we step into follow-through, we don't want to use the strong arm tactic. We don't want to go in and say, look here's the deal, you owe us, through oversight or whatever reason it hasn't been paid but we've got to start collecting on this. I think they have handled it appropriately. Not only has the problem been identified but as we move forward, we're doing it in a proper manner as well using the correct tactic.

Ms. Wilt: Correct. One of the other procedures that we are putting in place, a very commonly used procedure in the industry, is to switch the private pay billing over to a pre-billed status. Which means when somebody is in your facility, you bill for them a month in advance so that by the time that month is finished, they've paid for the cost of their care. That will significantly reduce any of the problems that we're having with non-collection of those private pay accounts. Then again typically what is done in the industry is to make sure when that care at the end of the month is rendered that you have received payment for it.

Mr. Hartwick: Have we identified when those past due amounts have started to occur and was there any direction given to anybody to be able to start the process which as you state is common in the industry?

Ms. Wilt: Some of the past due amounts have been there for well over three years. There has been no direction from the financial leadership in the building to make the collection calls and to put the collection procedures in place. Basically, the balance has just continued to grow. So there was no direction at all to address those issues up to this point.

Some of the other revenue enhancements that we have been working on are in the Part B area. I mentioned working to get the supplier number and be able to bill additional revenues there. We're also looking at some of the wound care issues; wound care supplies; and wound care billing that we could do. What we found in the billing is there are a lot of supplies and services that are provided that never make their way to the business office to actually render a bill for the services whether it be to Medicare or to a private pay. So by putting procedures in place to track those costs and generate those bills will again generate some additional revenue for you. How much that is going to be in the area of wound care, we don't have an exact number on that today but that is one of the areas we're in the process of looking at.

In the numerous costs savings that we have identified and primarily in the area of the ancillary contracts, many of the ancillary contracts, by ancillary I mean the therapy, the pharmacy, etc., any of those services that are provided to residents, we really negotiated at some premium rates. From our industry experience, we found many reductions in those rates that we can get through the contracts. So you will see in a moment, there's great savings that can be accomplished just simply be renegotiating

those contracts. Many of the vendors that all of us collectively, VA and Complete Health Resources, have worked with in other buildings, we have been able to put pressure on them to say that we want the same rates we know that we're getting in other places. That will represent good savings to the County.

There is also a lack of internal controls in the building which means generally if an expenditure was in the budget it was just being passed right through for payment. So one of the things that we're doing today, is the administrator is actually reviewing every invoice that comes, every expenditure request that goes through that building to find out irrespective if it is in the budget, is it a necessary expense and do we really want to expend the funds for the item that is being requested?

Each year the Department of Public Welfare makes available to nursing facilities what we call an Intergovernmental Transfer Agreement (IGT Global Settlement). Basically, it's a payment that facilities receive, they sign off in a settlement saying we won't file any appeals of our case mix rate in exchange for the settlement dollars. The paper work to get the money is sent directly to the administrator and would have been sent to the facility in December. One of the things that we uncovered is that the paper work was never submitted to the Department of Public Welfare nor can that paper work be located any where in the facility. So we've requested the paper work. We're going to make sure that that gets signed, sealed and delivered. Hopefully as soon as we get over this implementation of the new Medicaid billing system on the Department of Public Welfare's side, the County should receive that check for \$535,000. So that will be a nice income. It was in the budget. It would not have been collected had the paper work never been filed.

Mr. DiFrancesco: We're talking about more than a half million dollars that again paper work was lost. And given the Commonwealth's financial circumstance, they were not knocking on our door to say, by the way you guys didn't claim this half-million dollars.

Mr. Haste: Just last year or other years, this was not filed?

Ms. Wilt: It was the one received for this year. It is actually the state fiscal year that will end June 30th. So this is the current one that was filed in prior years. It was filed and requested. It should be like one of the top things that a CFO and Administrator is watching for in the billing when you know this is happening. Everybody is looking everyday to get their paper work signed and get it in and get the cash right back. It's as simple as doing that. No evaluation, no anything. It's unusual that this would not have been noticed when it came in, that it wouldn't had been signed up.....it is important.

So we have made some accomplishments to date but there are still so many things that we need to continue to work on as we are in the building. I wanted to try to cover for you a lot of the enhancements that we're still working on as we move forward. I mentioned the wound care supplies for you. We know that we will be able to reduce the spending in that area. We know that we will be able to generate some revenue. There's also an additional wound care consultant that's been coming to the building

from Hershey that we believe we can eliminate entirely by utilizing the professionals from my wound care company at no extra cost. So that would be one area in savings that we can work on.

We are also actively working on a plan to reduce the overtime in many areas but specifically in nursing. The nursing overtime and I'm going to wrap that together with the nursing agency help. Both of those are astronomical numbers that we believe can easily be reduced. It was difficult to do that immediately just due to the crisis nature of getting that license back in place and restoring some order to the building. But now we are in a position where we can look at allocation of duties, who is doing what within the building, and streamlining some of those procedures so that we can actually achieve some efficiencies in those areas. We are also talking with the primary agency nursing company that we use to see what kind of discounted rates we might be able to get from them due to the high volume of services that they have been providing.

Mr. DiFrancesco: I just want to be clear too on this where it says budgeted at....that is the budgeted amount for those line items. That's not what they are expecting to reduce it by, that's what it is at. Obviously, there is significant room in there to come up with some real numbers to help our budget situation as well.

Ms. Wilt: I mentioned the ancillary contracts just to give you an idea of some of the savings that we are looking at. Renegotiating these contracts is going to do two things for us. One it is going to improve some of the compliance standards. There have been some instances in the building that are a little questionable on the compliance standpoint that we want to avoid. So we're going to make sure all the language is correct in our contracts. We're going to be able to get improved service delivery. For example with the mobile x-ray company, by having a licensed tech that will be stationed at Spring Creek from the mobile x-ray company will seriously improve the service delivery of the turn around times for the services. Lab servicing, we're in the mix of negotiating with the lab contract and that should really reduce total spending as it is right now by 10%. Therapy saving – the therapy was as easy as just pushing the company to give us the rates that we know we can get and that we wanted. That annually should generate about \$150,000 in savings. In addition, we're pushing that therapy company to better utilize the part B services and part B benefits for residents. That's kind of a double whammy for the facility. Not only do you get to give better care and improve the functioning of the residents in the building, Medicare Part B covers much of that when you're improving their status and we will be able to bill for that. So it should result in better resident outcomes, better services, better survey performance, as well as generate additional revenue for the County. I think in 2004, just by increasing that utilization of therapy we're looking at about \$360,000 in additional revenue.

Mr. Hartwick: Taking a look at the new Medicare package, I guess it is Medicare Part B, a lot of information is yet to be determined as we noted in Washington over the weekend. Does that pose also some significant savings opportunities with the additional investment in pharmacy and other areas that are going to maybe put us in a

position to help some of the needy residents? Have you done an analysis or taken a look at that yet?

Ms. Wilt: Maybe some, not as much in a nursing facility side. The prescription benefit really benefits those that are in their own homes more so than in an institution and nursing facility. There are pharmacy savings to be had though. The pharmacy that you have right now is really charging for the drugs at a very premium rate. We've gone back to them and asked for some credits on the invoicing that we've had over a period of time because the prices are so astronomical. We're in the process of negotiating with them what they will do. It's upwards of maybe about \$160,000 that you've been over billed. We think you have been over billed by what you should have been paying on a contract. So we're working on that. The strategy on a nursing facility side for pharmacy-get the best possible price that you can on the drugs that you need and make sure the pharmacy is billing directly to the private pays and billing directly to any of the Medicaid programs for all the things that they should be. That's the strategy that we are working on most. Right now the facility is actually accepting the bills from the pharmacy and then turning around and billing the private pay residents for those drugs. The down side to that is we're not collecting the private pay funds. In essence you're paying and not getting reimbursed for it. There is no reason we can't just flip that process and tell the pharmacy, you bill directly and if you have trouble collecting from the private pays, that's your problem. It's on you. That again will help with the cash flow at the County level.

Transportation service we'll expect about \$25,000 annual savings just by renegotiating some of the ambulance contracts also.

I mentioned the expense controls the internal controls, expense monitoring making sure that we're spending appropriately for things that are needed. One of the reasons that we went into looking at all of the invoices and expenditures is the administrator uncovered about \$17,500 in maintenance expenditures that usually could be done by maintenance staff at the facility. So we were able to put a stop to any of those expenditures and will utilize existing staff to complete many of those repairs at a significant savings.

Mr. DiFrancesco: One of the issues that we were finding also is that as was mentioned, regular maintenance items were being done on overtime. Things that should have been done on the clock during the day were being done in overtime capacity and it was costing a lot of money. Word went out last week that all overtime has to be approved. The expectation is that none of the regular maintenance items, painting, drywall repair, whatever it might be will be done on the clock and not overtime basis. We're starting to tighten up the ship right now also.

Ms. Wilt: Not in just the approval, also in the vendor selection and who we chose to buy supplies and services from. Much like you were speaking earlier, we to want to be competitive in what we look at as expenditures and not just picking the normal vendor. We want to make sure that we are looking for best competitive prices that we can get on any supplier service, whether it's for nursing services or maintenance or whatever it

happens to be. We know that there are significant savings that can be achieved in the area of incontinence supplies. At a minimum, we have identified that \$7,000 a month and probably will be able to go upwards in some of the supplies in maintenance items, I did mention to you also.

As far as the staffing changes or any of that, what we're looking at most regularly is do we have an redundancy in duties, can we reshape how some folks are doing their jobs so that we can streamline the process needs and eliminate the positions that we may not need to fill. There are many positions in the budget that are vacant right now and we don't want to fill any vacant positions unless it is an absolute must. So when you look at the budget I think there is a lot that can be trimmed down from there just by looking at, do we really need to fill that position or use what we have more efficiently.

Just to give you a brief summary on things that have been done to date and kind of where we stand with things as of right now. The private pay balances to date of the outstanding \$229,000 the 80% confidence level \$46,000 has been collected and hopefully a total of \$100,000 without too much effort by year end. Again, we will be working with legal on some of the other items. We hope they'll come in, in 2004 and we'll push for that but you just don't know how long the legal process is going to take. Medicare Part A with \$35,000 outstanding balances, we've collected \$20,000 of that and the \$15,000 that's remaining we're calling everyday to try to get money. I expect that will come in soon. IGT Global Settlement, I mentioned that. I think within 30 to 60 days, we hope that will be in the County coffers and that money will be available to you. The DMERC application as soon as that's approved we'll begin procedures for billing for the services. That should generate about \$48,000 in additional revenue in 2004. And the collection of what would have otherwise been private pay bad debt through Medicaid resources, we'll expect we'll recover this year \$52,000 of that. There will be an additional amount that can be recovered next year. There is only so much that you can bill against somebody's resources so you have to keep on that process at a slow rate. So there will be more next year.

Mr. DiFrancesco: One of the other points that I want to bring up, because I didn't do that. Our collection process now has been brought back under our control which it was not in the last few years. It gives us much more ability to manage that and manage it well. We'll know what collection activities are going on and how we're successfully presiding.

Mr. Hartwick: Just one question as it relates to revenue billing, the ones that were.... that one item of \$535,000, that was a budgeted line item? So we were expecting to receive that?

Mr. DiFrancesco: Yes.

Mr. Hartwick: That is not outside of the preview of the additional revenue which would be included in all the other line items excluding that \$535,000?

Ms. Wilt: Exactly, that is correct. On the expense side, to date we've been able to cut out one month of the incontinence supplies which saved \$7,000. Now the \$70,000 that was projected by eliminating that for the remainder of year, all of that was in the budget. So that will be true real savings to the budget. Things that were budgeted for that we will not use. Same thing on the maintenance requests. Those were in the budget and would otherwise have been approved. However, we're going to do that in a different manner to save those dollars and use existing staff. Ambulance contracts and therapy contracts and some of the staff changes that will occur, the totals are in there for you. The \$25,000 on ambulance, \$125,000 for the rest of 2004. We're able to start the therapy rates as of March 1 and some of the other staff changes. So those will be real dollars that are in your budget now that will be definitely trimmed off of the budget.

In addition, we have many ongoing strategies that we'll continue to work towards improving the financial position at Spring Creek. One is looking at resident programs. We're going to be adding some resident programs for enhanced resident care. These are areas that will help improve their functioning and directly translate also into realizing the proper rate that you should be getting from Medicaid for the services that are provided. So CMI increases that we'll achieve, you'll start to see those in the final quarter of 2004 and those will continue to carry forward into 2005 as well.

Mr. DiFrancesco: What is that number now and what should it be?

Ms. Wilt: The number right now is 1.18. The statewide average is upwards of 1.2. I believe it is 1.23. So it should be significantly higher. There's staff at Spring Creek that is dedicated to improving this CMI or working with the residents on what we call restorative nursing programs.

Mr. DiFrancesco: "Case mix index" for those that are wondering.

Ms. Wilt: So we are refocusing them on what their mission should be on how they should be documenting those services and making sure that we are capturing all the work that is being done there. On the case mix index, we know we can at least achieve a .01 increase each quarter as we continue on. It could possibly be higher but we know we can at least get .01. What that means in additional revenue is, no additional staff, no nothing it's just improving your service delivery and documentation, \$33,000 a quarter just by improving at a .01. That's huge dollars and really it means you're just getting paid for the care that you are giving today. You're just documenting it better to get paid for that care.

Changing the pharmacy vendors is one of the strategies that we're considering. We need to get the better pricing on the pharmacy and if that requires changing the vendor, that's something that we will need to do. Word of caution, that's going to require a lot of planning for that to be a smooth transition. We want to make sure that we don't get into a situation where there is losses in revenue or double billings that happen because you are transferring from one pharmacy to another. That one really needs to be planned out smoothly. It can be accomplished while it can generate some good savings. We're also

going to be working with maintenance and housekeeping, dietary, all of the department heads to educate them on better utilizing their staff, better scheduling procedures, eliminating the overtime and teaching them how to use their part time staff more efficiently than what they are now. I think with just those strategies of how to utilize your staff, we'll easily be able to eliminate the non-nursing overtime pieces.

Mr. Hartwick: How is that process going?

Ms. Wilt: It's going slow but it's going. One thing that's interesting is we find the frustrations from each of the department heads. We know what their areas of frustrations are so we can easily target and address what it is that they need to address themselves with their departments and how they need to better schedule. It takes time I think to teach them, here is how you utilize your staff and here's how you structure your schedule. That just takes a little time for people to get used to that new process.

Mr. Hartwick: You know we talk about identifying needs for training. Is that one specific area that is needed from the management's perspective?

Ms. Wilt: That would be a specific area, yes, reviewing the supply vendors on all of the areas. We've talked about many of the nursing and ancillaries but it doesn't stop there. We want to make sure that we do this with housekeeping, laundry and maintenance. Again easily there should be able to be a 10% savings in the supply expenditures that are existing now and that are budgeted for just by looking at the vendors and the supplies that we are ordering. We're going to continue to review staffing levels in all of the departments with the focus on no overtime and improving productivity levels. We're also going to take a look at what might be some options for outsourcing any of the departments. Of course we'll work very closely with the unions in terms of those areas. But it is something that we would take a look at evaluating.

I mentioned implementing the wound care supply billing in Part B and improving the MDS process as well as the charge structure. The last two slides, just to give you an idea of where we stand and where this facility can really go, if you look at projected revenues by implementing all of the changes that we've talked, up-to-date as well as continuing with the ongoing strategies and making those all become a reality, I mentioned the Medicaid CMI increases that we wanted to do in 2004, that would get you \$33,000 additional revenue in the last quarter. That would get you a full year in 2005. So multiply it times four that's what you could expect in 2005. The increasing it in August 1st and November 1st would mean rate increases for January 1st and April 1st. So that's the only reason there are no numbers showing in 2004. It is about a five month delay until that translates into your rate.

Private pay collections that we would like to achieve this year. One of the things that I didn't mention is the facility did not make use of enrolling residents in what we call supplemental insurance. Supplemental insurance is available for residents to pay Part B premiums, pay for co-insurance, deductibles any of that. Absent having those kind of policies, you at the facility are just absorbing those costs. There is another open

enrollment period coming for supplemental insurance, we want to get as many residents enrolled in a policy as we can. The premium for that policy which is very minimal is paid through Medicaid resources. So it is at no cost to the facility. It is just an expense that goes through their Medicaid resources to benefit to the facility. You have a new plate in which to receive revenue that you would not otherwise be receiving.

Mr. Hartwick: That's good stuff.

Ms. Wilt: I mentioned the Part A collections. We're also looking at doing some rate changes. One would be on the private pay side to begin billing the full rate when we're holding the beds for private pay residents. The billing for the DMERC recovering the private pay bad debt we already spoke about. And the Part B utilization, that's what I was speaking about increasing the amount of residents that are utilizing that Part B benefit and creating better quality of care.

On the expense side, projected savings there were the change in the pharmacy provider. That's projected about June 1st because it would take some time for that to actually occur. A new diagnostic provider, new ambulance provider, some of the staffing changes that could occur, savings on the incontinence side that we definitely know are there and keep in mind there may be additional savings on the supplies. We gave you a preliminary estimate if we can come to an agreement in terms of outsourcing laundry and housekeeping or any of those areas, what that potential savings could be. Some of the other fees that could be eliminated as we move forward throughout the year are the non-nursing overtime, we mentioned that we have stopped overtime entirely and are working with the other department heads to make sure they're effectively using their staff. If we eliminate all of the overtime that was put into the budget for those departments, that's \$274,000. So we're actively looking to stop that and make sure we use existing staff in a non-overtime capacity. So all of those changes, new revenues and expenses that we'll take out of the budget, it would mean for you a savings of \$1.4 million. That would be when you look at your budget as it is today, with the budgeted County contribution, that literally is that amount off the bottom line of the County contribution because these are things that you would otherwise expect to spend the money on that we can reduce. And take in mind that we didn't even take into account things like the reduction in premium on Pelican Insurance. I think as we keep moving forward we're making great progress from reducing that County contribution level.

Mr. Hartwick: This certainly has been very helpful for me. I know that I requested last week a specific plan outlining those cost savings. I'll always be, I guess the individual to ask those questions about specific plans as I need to and I'm certainly impressed by what I see here today. In our first meeting, I was impressed by your diligence, professionalism, and your ability to get the job done. We just want to make sure and insure the obligation that we had in spending money for your company was one that would provide significant return particularly in a time when there was a tight budget crisis. We want to make sure those monies were going to be recouped. Laying out this specific plan is one that I feel comfortable and one that certainly shows exactly where

we're expecting to see those revenue enhancements, cost savings and to be able to pay for the ZA contract. It certainly has been a worthwhile investment to this point. And I again, commend Commissioner DiFrancesco for sticking to the course and allowing you to come to present this information today.

One follow-up point, are we doing an evaluation? From what I hear, and there are some serious inadequacies and inefficiencies that are going on at Spring Creek. We need to do an overall evaluation of the entire financial team that has not asked the right questions out at Spring Creek. That is something I believe that you have already talked about and have taken a look at. It just seems as bills came in, people paid them, never asked any of the questions, never really understood a whole lot about the industry. Is it a training issue? Is it a confidence issue? What are you finding out as you take a look at the way that billing was being submitted?

Ms. Wilt: Probably more than anything, a leadership issue. Whoever is at the helm has to be on top of making sure there are internal controls, making sure there are procedures followed up and making sure billings are collected. Any time any of those areas break down, you end up where you are at today. It certainly is leadership. I think the building got off course with some of the changes that happened over the last couple of years. The way that it ended up going, it didn't create a good system of accountability for people to make sure that things that needed to get done were getting done on a daily basis.

Mr. Hartwick: I guess it goes with the old adage and something that I believe in strongly, we took a look at the overall cost of the contracts as they came forward and this is another example of you get what you pay for. Moving forward with the a competent team to be able to show and recovery those savings and put it on the right course, I think was a bold step by this Board of Commissioners and one that I see is going to be one that is certainly provides rewards. I think the stability of the organization as we move forward putting the right people in place and maintaining that organization is going to be critical to the success of ZA and the Board of Commissioners. I know we are anxious to get started with recommendations with staff and the like. I appreciate you answering those questions that we sort of put forth to you last week. I feel very comfortable with moving forward. Thank you.

Ms. Wilt: You're welcome.

Mr. Haste: This really isn't for ZA but when we were talking about cost savings and things that were going on, something jogged my memory and I asked Mike Yohe for a number. I just want to sort of throw this at Bill. If you remember, last year we paid a special counsel for the nursing home about \$104,000. This year it is budgeted at \$25,000. If the Solicitor's Office stays on top of that and keeps it at that \$25,000, there's another \$79,000 that we will reduce from the expenditures that we had there before.

Mr. Tully: We expect that to be on target.

Mr. DiFrancesco: I want to thank you for coming in. I think that was an excellent presentation. It was a really good capsule of everything that we have been dealing with for the past three months now, two months under contract. When we did step in, in January, when the Board took over, you heard me say this before and I'm going to say it again. What we have is a facility that was adrift. It was a facility that had no real leadership in almost all of the sections where leadership was needed. But more importantly, what we had was a group of employees that were just sitting back waiting for that leadership to come. We had a group of committed employees who cared about the facility, cared about the residents, and literally when I first stepped into that facility and made my rounds, they were almost begging for somebody to come in and show them the way. I knew that we would be able to very quickly get out of the crisis mode because of that fact because ultimately it is the employees that make or break the facility. And they wanted to make it work. Again this Board was committed to taking decisive action, we brought in ZA. I think what we have seen from the presentation today that it was a leap of faith but it was the right leap of faith. We've been spending a lot of money but the expectation is that we will recover the money at the end of the year and the operation will be leaner. It will serve the residents better. It will be a greatly reduced cost going forward to Dauphin County. It's been this Board's goal all along to make sure that we preserve that facility to make sure the services are available to our County residents. We wanted to make certain because quite honestly if the federal funding would become in jeopardy or if the budget trend would just continue as is, it was highly likely that we would have to look at getting rid of that facility because the tax base just couldn't take it any more. Now we've got a bright future looking forward where we can get the right management team in place and the right type of leadership out there. We've got great employees and we can carry the facility forward and do so with better service and less burden to the taxpayers. That is what the goal of this has been all along. I want to thank the Board for allowing me, I guess, the room that I needed to breathe and move, and also thank you for your leadership and for your experience. You indeed were the right players at the right time that we needed to partner with. I see that continuing going forward now as I mentioned the crisis is over. The immediate crisis is over but right now is always the opportunity to backslide. What we have to do is make sure we pick the right management team and rebuild the facility so that what we saw in the past, the turf battles between different areas, the lack of communication down through the chain doesn't happen again. All these things we really spent a lot of attention trying to address. We have to make certain that we keep strengthening those and we have to keep the facility moving forward. Thank you for taking the time to come in.

Mr. Hartwick: One last request. If we could have a continued up-date of some of those items that are out there, some of the areas where we expect reimbursement, so that we could have an up-date on where we're at and what's coming in on collectibles so we can keep track of those things. It would be helpful to us.

Ms. Wilt: Absolutely.

Mr. Haste: I too would like to thank you. Having been here in a different capacity and seeing some of the same employees still at the County Nursing Home when I was here before, I was quite frankly disheartened at what had happened while I was out doing other things. I think the employees, Nick hit it right on the head, they want to bring this facility back. They've always had pride in the facility. Unfortunately, they didn't have the leadership to drive them forward. I want to thank you for helping to restore that.

Ms. Wilt: You're welcome.

E. Denise Francis

1. PCCD Grant Application for a RASE House ("Recovery House")

Ms. Francis: In the packets that I brought along, you will see a brochure for the RASE House, an explanatory of the parent agency and the PCCD Grant itself. What I'm here to talk about is the PCCD Grant and how to keep it or get it.

I guess I can start with RASE House and what we do there. It's a recovery house for women. The women that come there are basically serial recidivists who have drug and alcohol problems, who have revolved in the criminal justice system for quite some time usually. We take them at RASE House. The House is self sufficient. The women pay for their rent, their food, their medical cost, their costs and fines, and whatever else they incur while living there. This program had started about a year and half ago under substance abuse services. Last year, I started writing this grant. I called one of the previous County Commissioners and asked if it would be all right because I knew to get a PCCD Grant you needed matching funds. The reason I decided to write the grant was Dauphin County Probation and the judges started sentencing women to the RASE House. I felt there should be more structure there to ensure that they were able to not return to the prison. I started writing the grant. The Commissioner said go ahead with it but find a county agency to run it through. I talked to Terry Davis and Terry said go ahead. He thought that we would be able to do that. When PCCD contacted me that the grant had been awarded to us and that was when the new Commissioners were coming in and the old Commissioners were leaving. I was never able to get the signature page signed. It happened in late November. It leaves me here with a PCCD Grant that I can't collect. I need to get a match from the County. I have written up some numbers to show that really it would save the County a lot of money. We take these women right from Dauphin County Prison. If it costs \$55 a day to house an inmate, that comes to \$20,075 a year which is just a little less then what we ask for as a match to house somewhere between twelve and twenty-four women a year. Overall in three years, it would cost the County \$23,000 the first year, \$46,000 the second and \$69,000 the third year. However, there is no demand that you would do this for three years. After the first year, I think that it would prove itself that it will save the County money. But if you do indeed fund it for three years, it would save the County about \$584,000 in three years because these women won't have to go back to the prison. They won't be paid for by the County. This grant would allow me to hire additional staff so that I could provide the services outlined in the grant because right now there is no

one there but myself and a live-in house manager. I've been in contact with PCCD the whole time. They are aware of the situation. They've held the grant. They still want to award it to us. What they need is a pass through agreement with the County and an agreement for the match for one year. I would have to renew the grant every year for three years. There is no guarantee that it would continue on. So basically what I'm looking for is something from the Commissioners that would say it was a good thing or not a good thing. Their meeting is next week. If I call them and say, yes, this is going to go through, it will be probably voted on next Tuesday. However, if we're still not sure of that it can be postponed until their June meeting. Of course, I would rather have it in March if possible but I understand that this is not a done deal.

Mr. Haste: I know we have spoken about this and I've talked to the Courts as well as to the Prison. It started out Terry Davis wanting to move this forward. The President Judge is not in favor of this. So, it did not go forward. So then we have talked about going to the Prison. I know that we've sent everything out to the Warden. I've met with the Warden and Deputy Warden Nichol on this. Their recommendation was not to go forward with this at this time. A couple reasons and one is they thought it was more appropriate under Adult Probation. It's not an item that they were prepared to fund because it is not budgeted this year. The \$55 a day is not real savings. The only way we truly save those dollars is if we eliminate a cell block.

Ms. Francis: We would have some where between 12 & 24 a year depending on how long they stay there.

Mr. Haste: It does not eliminate any of our costs. It drives up the per diem number per inmate which is just a number saved. He did say that he thought it was worth continuing a conversation in a future year. It may be something that they could budget for along with Adult Probation. There may be a change of leadership in the Courts and may be a different philosophy in these types of programs. Again, it was an item that they weren't planning on funding and didn't have. If we would realize those dollars, it would make some sense. But we would not see those dollars in savings.

Ms. Francis: Does it have to be funded through one of their budgets or can it be through funding that's coming to my agency through the County? The reason I ask that is there is.....I was getting an HDSF Grant through Human Services Development Fund which was temporarily put on hold because of the budget not going through last year on time. From what I understand, the HDSF money is going to be restored and that would be more than enough.

Mr. Haste: That is another avenue that we could look at. I guess the ones that I've been asked to look at were the Courts and they were not willing to fund it. I went to the Prison trying to find the dollars and the dollars weren't there.

Mr. Hartwick: Quite frankly that was the first time that I heard you make mention of that. The problem is you were given commitment by a former Commissioner without the ability and your relying on that commitment. Quite frankly, that was the big part of the

problem that we encounter. It's not a Commissioner's decision, it's the Board's decision. And you need to gain approval of the Board in order to do that. We wanted to try not to have the organization go to funk because I think all of us believe in the ability to provide alternative sources to incarceration. As it relates to the Prison budget, currently it's not going to be one that is going to be able to be realized. We may want to engage in a conversation to see if there is something with HSDF that we might be able to work out. We may need to have that conversation at a later time. But my conversation with Commissioner Haste, it's not going to be suitable within the Prison's budget at this current time.

Ms. Francis: Okay, thanks.

Mr. Haste: Just another question, looking at your program it looks like there may be some drug and alcohol money available as well. Did you try talking to Smittie Brown?

Ms. Francis: They gave us a \$20,000 contract about two weeks ago. They have agreed to cover the first three weeks of a woman's stay there because a lot of times when women come out of the Prison system they don't have resources. They cut family ties. There is no one left to give them money. We require a week's rent and a week's security deposit up front. In order that we don't take a loss, they've agreed to pay for the first three weeks. I did not talk to him about the PCCD Grant because....

Mr. Haste: Could that money be used as your match?

Ms. Francis: I don't know. I would have to find out. It is not quite enough. It goes through 2005. It might. I would have to ask PCCD. I would still need a pass through agreement and they're a non-County entity. They're independent of the County.

Mr. Haste: Yes, but the funds still come through the County.

Mr. Hartwick: That's correct.

Ms. Francis: I could certainly look at that.

Mr. Hartwick: Why don't we set up a meeting between you, me and Sandy Moore at a later time and Smittie to see if we could work something out?

Ms. Francis: That would be wonderful. I really am at a loss. When I called Lowman last year, I did not realize that a meeting had to take place prior to the grant being written. It was certainly an oversight on my part.

Mr. Hartwick: We're currently going through the HSDF process. We'll schedule something after today.

Ms. Francis: Okay, thank you.

ITEMS FOR DISCUSSION

- A. Amendment to Agreement between Dauphin County and the City of Harrisburg in reference to the Market Street parking meters located on the north side of the Dauphin County Courthouse.

Mr. Haste: Bill.

Mr. Tully: As you will recall, not to long ago there was a request by the President Judge to explore the removal of the parking restrictions where we had taken the meters out, compensated the City for the loss revenues in order to provide security post 911. That started a process by which I think we did some input with Security and some other agencies. I think the compromise that is being proposed would be the removal of the restrictions on the Market Street side, which would be the side where the Security Office is when people come in and out and returning the meter parking to that area allowing for the short-term parking. That is what the President Judge referred to and for the time being maintaining the restricted parking on the Front Street where we don't have a permanent presence or security watch on that location. That would basically involve the changing or the amendment of the agreement with the City. Preliminary inquiry has been received favorably. I've got the rough draft. We still have to negotiate the details of perhaps who pays for the installation of the meters. But obviously, it would eliminate part of an annual fee that we pay the City for not utilizing them. I'm planning on having the paperwork in order for possible consideration and vote by the Board next week to at least open up the spaces on Market Street.

Mr. Hartwick: What is the number that we pay the City to have those meters removed?

Mr. Tully: I think it comes to \$24,000 a year.

Mr. Haste: Is that for Front and Market Streets?

Mr. Tully: That was for both. That would be cutting it in half right off the bat. Depending on how that proceeds.....it's 13 meters at \$13.50 per day or \$175.00 per day. So that was the figure for just 2003. It comes out to about \$24,180 per year which is a decent price to pay just to have those spaces not utilized by other than the County Sheriff's Office.

Mr. Haste: Okay.

SOLICITOR'S REPORT

Mr. Haste: Are there any questions for the Solicitors? (There were none.)

COMMISSIONERS' COMMENTS

Mr. Haste: Are there any comments by my colleagues? The only thing that I would like to do is.....Garry, you talked about the RFP committee, still has one slot open.

Mr. Esworthy: Yes.

Mr. Haste: Just a suggestion, if he would be willing, I know we have a member on our staff who has a legal background and has also worked with an insurance company. If he would be willing to serve on that committee, I see that he is (Bob, is shaking his head, yes). I think that might help out.

PUBLIC PARTICIPATION

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

ADJOURNMENT

Mr. Haste: Is there a motion for adjournment?

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

Transcribed by: Julia E. Nace, Assistant Chief Clerk
March 3, 2004

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff

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