



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

March 6, 2003 10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Lowman Henry, Vice Chairman
Anthony Petrucci, Secretary

STAFF PRESENT

President Judge Joseph Kleinfelter; Marie Rebeck, Controller; Robert Dick, Treasurer; Phil Spaseff, Recorder of Deeds; Carolyn Thompson, Court Administrator; Bill Tully, Esq, Solicitor; Jeff Foreman, Esq., Solicitor; Anthony White, Fiscal Director; Rick Wynn, Human Services Director; Jim Frandano, Information Technology Director; Cindy Melamed, Dauphin Manor Administrator; Sandy Moore, Children & Youth Administrator; Steve Howe, Director, Tax Assessment/Tax Claim; Sharon Manton, Personnel Director; Diane McNaughton, Communications; Jennifer Kocher, Communications; Jim Albert, Commissioners' Office; Kelly Wolf, Solid Waste Management; Anna Horst, Crisis; Elizabeth Boulware; Elaine Washington; Shirley Keith Knox, MH/MR; Dan Mosel, Human Services; Les Benner, Dauphin Manor; Carol Ganguish, Dauphin Manor; Mary Wrightstone; Rebecca Akers; Donna Miller; Ben Hillard; Elizabeth Tobin; Marge Ebersole; Valerie Ehrhart; Sharon Ludwig, Personnel; Mike Pries, Security Director; Faye Fisher, Personnel; Dan Robinson, Community and Economic Development; George Connor, Community and Economic Development; Julia E. Nace, Assistant Chief Clerk

GUESTS PRESENT

Carol Witzman; Morgan Nippert; Sandra Mosten; Diane Scheidler; Sue Grubic; Gregory Mounds

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 Minutes of January 22, 2003 Election Board Meeting and February 11, 2003 Legislative Meeting that will be on the agenda next week for approval.

PUBLIC PARTICIPATION

Mr. Haste: Now is the time for public participation, does anyone from the audience have anything they would like to bring before the Board pertaining to anything on the agenda? Anyone from the public?

Your Honor.

President Judge Kleinfelter: I would like to comment on Courthouse renovations. Is this the appropriate time or do you want to do it under the Chief Clerk's Report?

Mr. Burns: Whatever the Board prefers Judge. I really don't have much of a report today on renovations. If you would like to do it at that time your welcome to.

Mr. Haste: If you have time, we'll let him do his report and then you may ask questions. Thanks, Your Honor.

PERSONNEL

Mr. Haste: Faye, good morning.

Ms. Fisher: Good morning, Commissioners. There are three Salary Board items in the Personnel packet. The first is to abolish a part-time RN position and create a full time RN position at Dauphin Manor. This has been discussed with Commissioner Henry.

The second is to create a temporary in-house recyclable collection position. This position is being created because they have an employee on military leave. It is funded by the landfill administrative fees.

The third is for Human Services. It is to abolish an Executive Director position.

Mr. Haste: Marie, do you have the packet?

Mrs. Rebuck: Yes, I do.

Mr. Haste: Any questions for Faye on that?

Mrs. Rebuck: No.

Mr. Haste: They will be on next week's agenda.

Ms. Fisher: Moving on with the Personnel packet, we have the workshop agenda vacancies listing and all positions listed are budgeted per Mike Yohe.

Next we have the workshop agenda new hires listing. Next is the workshop agenda changes listing and next is the overtime report for pay period #4. Finally, there is an overtime request for the Prison.

Mr. Haste: Are there any questions for Faye?

TRAINING PACKET

Mr. Haste: Bob, the training packet.

Mr. Burns: Mr. Chairman there are thirty-five items on the training packet today and all of them can be held over for the Legislative Meeting. I believe they have all been pre-approved by the oversight commissioners.

PURCHASE ORDERS

Mr. Baratucci: Commissioners you should have received your packet yesterday. We are probably going to be able to pull the very first item that is on the packet. I think we have found a way to do that work in-house. It has to do with the scanning of the campaign finance reports. We are in the process of finalizing the details on that. Hopefully, that will be done for Tuesday. If that is the case, we'll pull that item off.

In addition there are some over budget items as usual. Mike and I have met and discussed those. The ones that he has information on will be fixed and the others we have made phone calls and they will be either fixed or pulled before next week. Other

than that the packet is there for your review. I can answer any questions that you might have.

Mr. Haste: Any questions for Randy? Thanks, Randy.

DEPARTMENT DIRECTORS/GUESTS

PRESENTATION OF A PROCLAMATION DECLARING MARCH AS NATIONAL SOCIAL WORK MONTH

Mr. Haste: Rick.

Mr. Wynn: Good morning. Commissioners I come before you today during National Social Work Month to ask you to honor the many social workers who work in the County as well as those we fund at the many agencies. An hour and half ago I was in the dentist chair and I didn't know I was doing a proclamation. I thought I was just telling you who, so I figured when I started talking with a slur you would think I need social work indeed.

Mr. Henry: There is mounting evidence.

Mr. Haste: That didn't have anything to do with this morning.

Mr. Wynn: And then when I heard you were eliminating an executive director in Human Services, I was asking Dan if that was me? I didn't know.

Mr. Haste: Dan has been lobbying for that.

Mr. Wynn: It's a dirty job but someone has to do it.

While the Commissioners and directors are busy with budget crisis and management crisis which seem to be daily, our social workers are busy with helping our clients manage their own crisis that they have each day and leveling the playing fields that they have to go through to make it through their day to day lives. Today we have asked representatives from within Human Services, as well as the Manor, and I'm sure there are other social workers in other departments that I'm not aware of. We do have staff here today and I will note some of those that are here today. I hope I don't miss any that are here. I would ask you to stand as I give your names. First, sometimes social workers go on to be higher bureaucrats, bosses and directors.

Cindy Melamed, Administrator at the Manor; Les Benner, Director of Social Work; and Carol Ganguish, Vice-President of the Nurses Association and also works at the Manor. From MH/MR, I think but I didn't see them yet, Rose Shultz and Anna Hartz. Shirley Keith-Knox instead of Rose. From Children & Youth we have Sandy Moore, the Director; Faye Baer, Child Protective Supervisor; and Valarie Ehrhart, Intensive Case

Worker Unit Caseworker. From the Area Agency on Aging, we have Mary Wrightstone, Ben Hillard, Rebecca Akers, and Donna Miller.

With that I would hope for you to do the proclamation because I'm going to start slurring words.

Mr. Henry: If we could have a representative from each department come forward. I believe we have one proclamation to give to each department which can then be shared with the employees in those departments.

Jeff thought it would be a good idea to read the proclamation and let me do that before we actually hand the out.

Office of County Commissioner
Dauphin County, Pennsylvania

Proclamation

We, the Dauphin County Board of Commissioners, appreciate the professional social workers who have dedicated their lives to helping people overcome some of life's most difficult challenges, preventing crisis and providing counsel to individuals, families, children, seniors and communities;

Whereas, each day, social workers touch many lives through their work in schools, hospitals, mental health clinics, nursing and personal care homes, senior centers, and prisons, serving those who need an advocate;

Whereas, more than a half a million social workers throughout the United States strive to empower those who have faced many closed doors by giving them the keys to open the doors of access and opportunity;

Whereas, the social workers in Dauphin County have dedicated themselves to being advocates for the rights of others, serving as a voice for those who thought they had none;

Whereas, Dauphin County social workers have increased adoptions in the county by 300 percent, implemented Family Group Conferencing – a first for the state, expanded efforts to address juvenile delinquency, developed intergenerational

programs for children and seniors and ensured those in their golden years have a voice;

***Whereas,** social workers, whether in direct practice, administration, education and research, legislative advocacy or policy development have an impact on every community in Dauphin County;*

***Therefore,** we join the 251,300 residents of Dauphin County in formally declaring March “Professional Social Work Month” in Dauphin County and urge everyone to take a look around, see how the compassion and loving touch of our social workers have healed the lives of so many and thank them for a job well done.*

In witness thereof, we have hereunto set our hand and caused the seal of the Commissioners of Dauphin County to be affixed this the Sixth day of March 2003.

(pictures were taken)

Mr. Haste: Before we leave this, while we were standing there, I just thought of something I need to say. With social workers, often times we forget the work that you do on an every day basis. Every now and then things in our lives remind us of that. I'm going through a difficult situation with one of my parents, a crisis that I have there. If it wasn't for the social workers and that third party person that's able to stay objective when a family has to deal with difficult situations, it would actually make the situation a lot more difficult. The professionalism, the caring and the objectivity of the social worker at those key times is very very important. I know I for one often forget that until it hits home. I personally would like to thank everyone for what you do. Thanks.

Mr. Petrucci: Likewise.

PEOPLES BRIDGE COALITION

Mr. Haste: Carol Witzman

Ms. Witzman: I brought presents. I have a copy of my remarks.

On behalf of the Peoples Bridge Coalition, thank you for having us attend your meeting today. We are very appreciative of the opportunity to update you on the progress of the Walnut Street Bridge restoration. The Coalition is very pleased to report that things are definitely moving forward. We had a very successful meeting with Wormleysburg

Borough Council on February 11 this year. They have agreed to participate in the Walnut Street Bridge design process when it is started. The Coalition is now working on securing and then advancing the \$770,000 of the 80% federal funds that were earmarked for the bridge by former Congressman George Gekas. That money does stay with the bridge. It is still there and we are working on moving that money. We will then seek to find the matching 20% funds. As you know federal funding is 80/20% match.

The restarted design process consist basically of two parts. The final design of the reconstructed western span and a study of the problems related to the western approach that were identified by PennDOT's consultant. The study itself would consist of three parts. The problems related to the western approach, the alternative solutions and the potential sources of funding for the alternatives.

The Coalition doesn't know what the components of the alternatives will be or how they will be funded. But we will accept the results of the study. At this time the Coalition is working on a request to the federal legislators to have earmarked funds appropriated for the project. Copies of that request will be sent to the Commissioners for their support. If you have any questions, I will be happy to answer them.

Mr. Haste: Where does the project stand now with PennDOT? Are they involved at all? I know they did the study and they have raised some issues. You are going to do this study to try to address those?

Ms. Witzman: Right, to address the problems right now. We were at the HATS meeting last week and they have been asked to be kept apprised of our progress. The important thing right now is to get the design process started. The western span has already been studied. The scope of the work had to include the plaza on the western span and also address some of the safety issues in Wormleysburg.

It's the oldest bridge across the Susquehanna River. It's a national historic landmark. It should be done. It's the right thing to do. We would appreciate your support.

Mr. Petrucci: At this time, have you got any sound ideas about the governing arrangement for the parking aspect of the proposal?

Ms. Witzman: That probably will come out of this study. You have probably seen the pictures of the rendering and if it weren't so nasty we would have brought the rendering in today. That is strictly a conceptual design. The impact is greater than showing what is there now with the flat parking. We don't know what the study is going to come up with. That's why we are pushing to get the design process started so we can have the answers. One of my favorite quotes when we were in to see Barry Hoffman, he's the district aide engineer, he said you don't know the color of the money until you know the color of the project. That's why it is critical to get this design process started.

Mr. Petrucci: The rough rendering that you did was, I would say phenomenally successful in getting public interest and hopefully considerable participation in coming up with a solution. I think it pretty much shored up everybody's mind that something should be done and now they can focus on what. I think you have done our community a service by getting us to a table. Thank you.

Ms. Witzman: Thank you very much.

Mr. Haste: Any other questions for Carol? Thank you.

TAX COLLECTORS EXPENSE REIMBURSEMENTS

Mr. Haste: Steve Howe.

Mr. Howe: Commissioner Haste, good morning, other Commissioners and elected officials.

We are here this morning I guess because Commissioner Haste and Controller Rebuck have received requests from two tax collectors for additional compensation for what we refer to as rebilling orders that are directed from our office to various tax collectors. During the process of a tax year, for whatever reason or whatever cause, there may be a change to the tax bill that is issued by the office. Our office directs the tax collector to make a change to the billing whether it be an extra charge or it be an exoneration of an issued tax/levied tax. That in the past has always been considered part of their routine responsibility. The tax collectors routinely change bills as directed by the Commissioners through our office. The request however came from two tax collectors that they receive additional compensation for doing this particular process. The requests came primarily to Controller Rebuck in way of a reimbursement of an expense. Controller Rebuck and I believe accordingly denied those requests as there is no reimbursement schedule for such requests that has ever been approved by the Commissioners. The subject has never really been discussed prior to this. If there were to be a reimbursement, there would have to be a reimbursement approval by the Commissioners for whatever dollar amount. I have done a bit of research. We have contacted other surrounding counties and eleven of the twelve school districts located within Dauphin County. None of the other surrounding counties compensate their tax collectors for rebilling or a correction or change to an existing levy. Only one of the counties twelve school districts compensate any additional monies for changing the bill. That school district is Central Dauphin.

We would consider what we are asking the tax collector to do and what we have asked the tax collectors to do for the last 30-40 years. We consider that to be part of their routine responsibilities. We researched the, although I'm not an attorney, I simply read the tax collector manual and it requires various things of tax collectors and there are specific outlined costs for which they are entitled reimbursement. Rebilling is simply not one of those cost which in my interpretation that they would be eligible for

reimbursement. They are eligible for expenses such as printing, postage, books, blank forms as needed as well as postage and things in that order. Simply their time to reprepare or prepare a new bill is as we would see it as part of their routine responsibility. My recommendation to you folks would have to be that you simply do not establish a reimbursement rate for additional billing purposes. I believe whatever your counsel would advise you, would be an end to the issue. There simply is no reimbursement as Ms. Rebeck stated earlier, there would be no reimbursement due.

The second issue brought up by one of the tax collectors was reimbursement for preparation of the return to the Tax Claim Bureau. Again, we researched the tax collector manual, you have a copy of that. It's number 14 page 41. Clearly as tax collector as part of their routine responsibility are required to make a return annually of all unpaid accounts to the Tax Claim Bureau for collection purposes. That's clearly part of their responsibility and again my recommendation would have to be that any requests for preparing a return to the Tax Claim Bureau also be denied or no reimbursement rate set so there is nothing to actually reimburse. If you have any questions, that pretty much concludes my research presentation. Again, my recommendation on both accounts would be that there not be a reimbursement rate set and the tax collectors be advised that it is considered as part of their normal responsibilities as elected by their municipal governments.

Mr. Haste: Hasn't the County taken steps over the last few years to actually make their life a little easier and cut some of their expenses for them?

Mr. Howe: We in the Tax Assessment Office have basically taken all of the billing, all the mailing responsibility from the tax collector. That is correct. Prior years, and it goes back probably, I would say ten – twelve years ago, where the tax collectors were provided with a tax duplicate and they were responsible to prepare their own tax bills, send those tax bills out according to the assessment, and what the established millage rates were, is now done in-house by our office. We have mutual billing agreements with all thirty-nine municipalities where our office in conjunction with a printing vendor, computerized printing vendor, actually prepare all the tax bills, mails all the tax bills on behalf of all thirty-nine municipalities. So that manual process of actual preparation of bills no longer exists. They no longer have to mail any of the tax bills other than these rebilling type of situations. We do that service for all the municipalities at a cost of somewhere in the neighborhood of thirty-seven to fifty cents per tax bill. That includes printing and even postage. With thirty-seven cents being first class postage rates you can tell from that we're getting a tremendous discount from the postal service by being able to mail everything out in bulk. Not at bulk rates but on a bulk basis receiving first class discounts that are available through the post office. We pass those savings right onto the municipalities which they couldn't prepare tax bills and simply pay postage for what we charge them to provide the printing and the mailing service for thirty-seven to fifty cents each.

Mr. Petrucci: We also do billing for the school districts and they are charged for the complete billing of those?

Mr. Howe: No, we don't do the tax billing yet for the school districts. We provide to the school district a magnetic file of the assessment. They take that magnetic file then to their printing vendor in order to actually prepare tax bills. That's one of the bonuses that we hope to gain through our new tax administration system in that we will be able to contract with the school districts to prepare those tax bills, also at a similar savings for all the school districts. That is not in affect yet.

Mr. Haste: Both the Controller and the Treasurer had conversations.....do either of you have anything you need to add or questions that you want ask on this?

Mr. Dick: How many bills are involved?

Mr. Howe: The year 2002 was a unique year because of the reassessment. There were a lot of adjustments to the tax roll. There were probably in the neighborhood countywide about 3,000 corrected bills that were sent out.

Mr. Dick: That's not all one tax collector?

Mr. Howe: No, that's overall, thirty-nine tax collectors including the city. On a typical year we usually adjust maybe 250-300 at the maximum. One thing I should point out that has changed for 2003 and beyond, the tax collectors now will not even be required to prepare tax bills for this rebilling process. The tax administration system will allow our office, my accounting person, to actually prepare the tax bill based on the correction and simply send that corrected tax bill to the tax collector to place in the mail. They will not even have to prepare a rebill. We will do that on their behalf also.

Mr. Haste: One of the reasons I wanted Steve to come before the Board and discuss this is because I know there has been some undercurrent with some of the tax collectors and others. I wanted everything to be brought before the Board. Unless there is a desire of the Board to establish a reimbursement rate, I would think this issue would be over with and there would not be a need to be on the agenda next week. I appreciate the information and unless there is a desire to have a reimbursement rate, I think that should make it clear.

Mr. Petrucci: I would just stipulate that I recall in the arguments for the last time that we handle compensation for the tax collectors that Commissioner Henry did suggest an extra twenty-five cents per bill and did so under the argument that this would help compensate for the additional work of the reassessment. I think we have in effect covered the cost associated with the reassessment and billing issues.

Mr. Howe: I wasn't aware of that and my position has been, I don't know what the tax collectors are paid. It is none of my concern. I unfortunately now do know what they are compensated. My position has always been I don't want in the middle of the argument regarding compensation. I don't even know what you pay. If that fact was addressed already, I would think it would even further support our position.

Mr. Haste: Bob, I think it's clear we won't need this on the agenda next week.

Mr. Howe: Thank you.

Mr. Haste: Thank you, Steve.

PRESENTATION FOR PRE-FUNDING OF HEALTH INSURANCE PROGRAM

Mr. Haste: Mark Lundquist.

Mr. Lundquist: Thank you, Commissioners, my name is Mark Lundquist. I'm president of the financial consulting firm, Financing Ideas located out of Reading. More appropriately, Mr. Chairman, I'm here to talk about multiple year health care contracts. The concept has been thrown out as pre-funding of health care contracts but in fact that really connotes a financing transaction. More to the point what we are really talking about is trying to look at different ways for the County to procure health care coverage for employees. Obviously, the County is obligated under various union contracts and employment contracts to try to prescribe a level of health care coverage. What we are trying to do is look at a different way to have the County engage those services for a period of years.

What you have in front of you is a little package, I can walk through it in as much detail or as little detail as we need to go through. Obviously, the County is budgeting annually for health care services. Past practices have been to receive an annual contract for coverage levels for future years. In reality the County has very little ability to control really what has been an exploding cost of your budget expense. In fact, we are working with a number of different counties where they have been forced to raise taxes or cut services or lay off employees simply because they've been seeing twenty, twenty-five, thirty, or forty per cent increases in their annual cost of health care coverage. Over the past probably ten years, almost every county in Pennsylvania has seen of minimum of fifteen up to twenty-five and thirty per cent increases each and every year forcing you when you put together your budgets at the end of the year to find the monies to deal with that. Part of the reason that that has occurs is because you are getting those services on a year to year basis, spot basis, etc.

Within the last year Blue Cross and Blue Shield have split and everyone thought that was going to drive costs down. In fact, what has happened is that those providers were forced to go out and procure networks of doctors, physicians, specialists, hospitals, etc. to provide their services. In December, we have closed a deal for Lancaster County where we went out and actually negotiated a three year contract with a health care provider for the purpose of securing not only the prescribed level of benefits but to lock in the cost and expense for 2003, 2004, and 2005. I enclosed in that package of summary the transaction as to how that occurred as well as newspaper articles supporting how that occurred. In fact, by virtue of going through a process where we

worked very very closely with the county staff, their benefits consultant, with their accountants and auditor, solicitors and with their private insurance brokers. We were able to go out and negotiate with the local health care providers for a multiple year contract to secure fixed costs for health care coverage for the county for a three year period. As a result of the process we went through, we were able to save the county somewhere between seven and ten million dollars depending upon what your starting point ends up being providing the exact same benefits that they currently had, with the exact same provider, we were able to bring in 2003 health care costs for the county of Lancaster at a level that was below what they had paid in 2002. While all the other counties and municipalities in Pennsylvania are seeing fifteen and twenty per cent increases Lancaster County was actually able to reduce their 2003 costs from where they were in 2002. That in essence is the program that we are looking to try to accomplish.

I know there are a number of different people and players that are talking about pre-funding this. In fact, the financial community has been looking at this notion as an opportunity to go out and finance thirty, forty, fifty million dollar taxable financings for the purpose of basically putting cash aside to pay some of the prepaid expenses.

When we went through the Lancaster County transaction, once we got through the negotiation process and had a program that worked, we went and explored that option. We reached the conclusion that it didn't make sense to borrow it at four or four and one half percent and invest the proceeds at one or one and one half percent pending the use and application for payment of the health care premium. We recommended against that and in fact what the county ended up doing was borrowing a small amount from one of the local financial institutions for the purpose of really paying for some of the run out of the claims because they were converting from self insured program to a fully insured program.

In essence what we are really looking at here is, I'm proposing to the County that we would submit to you a form of an engagement for consideration by the County. The County would retain our services so that we would work closely with your professional staff, with your outside accountants, with your benefits consultants, your solicitor, your insurance brokers to develop information as to what historically the County has been paying, provide a projection as to what those cost and expenses might be in the future. At that point in time, we would come back to the County and give you a recommendation of course of action that could be beneficial from a financial perspective. At that point in time, the County Commissioners could decide whether they want to explore the options or not. The form of the engagement that we would propose would not have any compensation due and payable at any point in time until we would bring back a proposal for consideration by the County. If the County decides to pursue the implementation of the recommendation, then we would go out and work to bring back a firm contract for your review and approval. Only at that point in time, would any compensation be due and payable. In Lancaster, we proposed a contingent fee basis that was then capped at a fixed amount that was acceptable to the Commissioners. If in fact, we get to that point we would present a proposal that would provide significant

savings to the County and the County Commissioners would decide to move forward to implement it at that point in time. We would then work with the County Commissioners' financing team whether it's bond counsel, investment banker or simply a financial advisor or whatever to try to find the best financing package for you. Summarizing the proposal in essence there are four different points in time that we would be coming back to the County Commissioners making reports on the progress. No cost and expense would be due and payable until there were tangible results for the County. Obviously, we need to do this hand in hand with your benefits consultant, your solicitor, with your labor counsel to make sure that all of the requirements of your various contracts and statutory requirements and contractual requirements are satisfied. We feel by going through this process we can secure for the County fixed costs for your health care component for a two or three year period. That would give you budgetary certainty. We would be able to achieve savings for you. Just like your labor contracts you'll have those contracts for three or four years so you know from one budget year to the next and until the next you can make plans in terms of what your costs and expenses will be. We propose to try to do the same type of thing with you health care contracts which are increasingly becoming a significant component of your budget. We are trying to give you some control for that aspect of your budget. If you are successful in doing that, we would propose then that that become something that we work hand in hand with the County and your staff and consultants so that not just a three year contract but it may be a year and half into that contract we would look to work with a health care provider to try to add a fourth year, fifth year, and sixth year. At any point in time, the County would have a relationship with your health care provider. Your employees would have certainty in terms of knowing who is providing their benefit package, you have a smooth working relationship with it, there would be really a partnership with them. Frankly, if you look at your newspapers, your magazines, you turn on your radio or television, you are hearing an awful lot of advertising by health care providers. They are aggressively going after market share. They are looking for that. They are spending significant amounts of dollars every single day to try to procure business. What we are talking about here is the County with a very very significant and key piece of the local business you can provide very very significant chunk of critical mass for a health care provider. A lot of the dollars that they are utilizing for purpose of advertising can be converted back into savings and can be shared with them.

That's a very very brief summary. I apologize for going fast but Mr. Burns asked me to try to keep it as brief as I could. I'm willing to answer any questions. I can talk to any of your privately afterwards. I gave you my business card if you need to talk to me. What I would propose to do is submit to you for consideration a form of engagement that would not obligate you to any monetary payment until results were provided to the County. We would incur the costs and expense associated with that. Any question?

Mr. Henry: Mr. Chairman, a number of things. First of all, I think it needs to be pointed out and reiterated that over the past two years we have actually been able to bring about significant decreases in the amount of money that we were paying for health care. We're actually paying for 2003 over a million dollars less than what we were two years ago. Largely, I believe taking advantage of the competition that has been generated by

the breakup of the 'Blues'. We have already benefited greatly from that. We have had two or three or may be as many as four different entities come to us wanting to handle this particular piece of business. I would recommend what we would do is have our Personnel Department draft an RFP and all those who have expressed an interest, I think this is actually the second presentation that has come before us, providing that RFP to all those who have expressed an interest and asking them to put a proposal forth. Several weeks ago when a refinancing was undertaken by this Board, I mentioned at the time I felt that refinancing was an incomplete solution to the problem and that there were two other areas that needed to be dealt with. One of which was health care benefits and the possible pre-funding of those for several years. And the second, of which was doing something to stabilize the losses in the pension fund so that we are not continually hit with large contributions from the general fund each year. So in order to keep that process moving forward and do a thorough and complete job of addressing the County's fiscal needs, I think such an RFP and thorough look at this will in fact yield may be not 7.7 million dollars in savings, but I do believe there are additional savings to be run from this process. My suggestion would be to move forward with an RFP and take a real serious look at this proposal and others like it that we received.

Mr. Petrucci: I concur.

Mr. Haste: So do I. I think all this is worth looking at. Thanks.

COURTHOUSE RENOVATIONS

Mr. Burns: Courthouse renovations, I just want to report today that we have no purchase orders and no change orders before us right now. We'll try to give you as much advance notice as possible when they are recommended. There will be some in the near future. Other than that, I think you are up-to-date on the status of the renovations. I know the President Judge is here and would like to speak to that. So I would turn it over to him.

Mr. Haste: Your Honor.

President Judge Kleinfelter: Good morning Commissioners.

Mr. Haste: Good morning.

Mr. Petrucci: Good morning, Your Honor.

President Judge Kleinfelter: If I understand the directive of the Board going back about a month ago, it was the Courthouse renovations whole process would be submitted to a committee. That committee would work on the day to day operations of what was underway and that if there were any changes that warrant fiscal attention by the Board, change orders and the like, they would be brought before the Board. I think that is the

posture in which Courthouse renovations were left. There has been one meeting of this committee. That was Friday a week ago. It was in my Chambers. It was attended by your Chief Clerk; by representatives from Whiting Turner; Bruce Yerger from Buchart Horn; Mr. Cohen was there from Buildings & Grounds; and we addressed issues that were at that time pending. As you know at about that time, Mr. Witmer of Clerk of Courts was moving into his space. The Bureau of Fines and Costs and Adult Probation were moving into its space. The Jury Assembly Room was reaching its final stages. In fact, we set up a perspective date by which that area would be taken over. It since has been and was used this week for the first time by the statewide investigating grand jury. However, some things have been happening that are apparently things that are going on outside this committee. It's certainly not a matter of public record here. I have been advised that Whiting Turner has been ordered to stop renovations in the two new areas that were next in line. Mainly, the fourth floor and the third floor. The fourth floor Jury Assembly Room that was vacated and is the next area to be renovated that will be occupied by the Library. And Mr. Witmer's space which is to be occupied by the Court Administrators. My information is that your Chief Clerk has directed Whiting Turner to stop those renovations. Now as far as I understand it, those renovations are under contract, they have been approved by this Board, bid were let, bids were awarded, work is underway, there are construction people on board. I have not heard this Board reverse any of those contracts or take any formal action to stop the work. The committee has not agreed to stop the work. So I want to know who is calling the shots to stop the work? When we went to this process of having a committee to make these choices, I don't want to kill the messenger, but I would assume that Mr. Burns is taking orders from somebody and frankly I am asking that we have an emergency executive session of the Board of Commissioners which I can be present so that I can find out exactly where we are going to go with this. I understand there are fiscal considerations that have come up. But if they have come up, they need to be either discussed in a public forum or at least within this committee that has been established. I tell you I am quite disgruntled to learn from somebody on the job that they have just been ordered right in the middle of things to stop construction. I cannot see how that can do anything but cost the County money because these people are on the job, they are under contract, and when you tell contractors to stop working, I think it is going to cost. What you heard, your report for Courthouse renovations, was very brief but glosses over some very serious things that are going on and again I'm going to renew my request that this Board meet in an executive session to get a handle on this. It's underway. It can't be delayed.

Mr. Haste: I'll let Bob speak some of that but, Your Honor, you are correct, we did form a committee. We also asked Mr. Burns to get a handle on this project. We have also made it clear to Mr. Burns at this point in time we have no more than, which I understand is \$30,800,000 for the project. I think one of the things that, I will not speak for Bob, I'll let him address it, but one of my understanding in his attempt to get a handle on the project as we have talked before. It appears the one who understood the project the most is no longer with us on the Board. To get a handle on that and to stay within the amount of money that we have because once that money is up, at this point in time we have no other pot of money to go to. My understanding is that the project has not

been stopped. I think work is still being done in parts of this overall project. But certain portions may be on hold to make sure in fact, the last thing we want to do is to have work done and not have money to pay for the project. My understanding is and I'll let Bob address this, is that things are being slowed down to make sure in fact priorities are met so that we don't get into a situation where money is committed that we don't have.

President Judge Kleinfelter: That is fine but, you understand the engine is over there running and the meter is running. I don't know that you are saving money by pulling people off of this project at this juncture. Really we have just begun Phase I of Phase I. There are various phases even within this first project. Maybe things need to be looked at down the line but if you have people with jackhammers digging up this space and tearing out and you tell them to stop...then exactly when are you going to make the decision and assessment to get the thing running again. Tomorrow, next week, next month,..

Mr Haste: It is my understanding that the work was not stopped. It was.....

President Judge Kleinfelter: It has been stopped in that area.

Mr. Haste: I understand they are doing work in other areas. Bob, why don't you....

President Judge Kleinfelter: There was a lot of work done already up on the fourth floor that has been stopped. Frankly, I think it has been stopped without realizing what you are doing because if you are going to move that Library into that space that floor has to be reinforced. The work has to be done. I heard from Bob, oh, we'll just move the Library and do the renovations later. Gentlemen, that from an engineering point of view won't work. I think fiscally it is saving pennies to try to save dollars when they are going to come back later on and it will double the cost. I just don't think anybody sat down, this committee or this Board, to assess what you're telling these people to do.

Mr. Henry: I'm not going to sit here and allow those comments to go unchallenged. I think what has happened here. The over arching concern and direction from this Board to Mr. Burns, to the committee and to everyone, is we need to keep this thing to \$30,800,000 that are available for the project. We need time since the Commissioner who had oversight has departed to assess where we are, assess what has been spent, and make sure that we can finish as much of what we intended to do under that amount. Now I have seen numerous, very detailed memos from Mr. Burns, numerous very detailed memos from Buchart Horn outlining what we need to do in order to stay under that cap. Frankly, what we are going to have to do is not do all the renovations that was proposed under Phase I because as you may recall the Sheriff's Office which was supposed to be under Phase II was moved somewhere, somehow and I have no clue into Phase I. That was what about a \$400,000 expenditure. So if you are going to add an addition to the project in that amount it only makes sense if you are going to hold your overall budget, something else is going to have to be delayed. My sense of what was happening and what Mr. Burns is doing and what Buchart Horn had been doing with their proposal was to say, lets stop those things that we can stop now, lets not

demo any additional areas, give ourselves time to get a handle on this so that we can finish those things that we must, even if it means we don't get to do all that we want. I can tell you going back to the core cause of this whole thing, Commissioner Payne was very good about always saying lets get to the core root cause of what we were going to do. Our root cause was that we wanted to add a courtroom and chambers for the new judge. That was our core goal. Additional to that, I know we shared a core goal of making sure that we improved, in fact installed fire alarm systems and fire suppression systems. So as long as we are handling public safety components of the building and adding the eighth courtroom, we are accomplishing the mission of Phase I. Everything else is auxiliary to that and subject to being moved into Phase II. The third part of that was we'll do as much as we can within the money that we have in this Phase. You are not going to be able to get everything that is proposed under Phase I done under Phase I because the changes in the Sheriff's Office made it impossible financially to do that.

President Judge Kleinfelter: That sounds very good Commissioner Henry but I think the way this project was engineered you can't do it piece meal. You can't just make this simple, have a ventilating duct that's going from the first floor to the third floor, run it up to the first floor have it attached at the third floor and then say, oh we're not going to do the second floor, we're not going to do that part of the duct because then suddenly you find out the third floor won't work. The heating, ventilating, the air conditioning, all these components are integrated. I frankly do not think you can all of a sudden start areas of that building and not do them. There are two systems running in that building right now. There is the old system and the new system. I'm not an engineer but I think before you just say, oh, we're not going to do this or we're not going to do that, you need to get some professional engineering advise. If you say Buchart Horn made a proposal, then I want to know why the proposal hasn't been made to the committee that you created. Because it has not. It hasn't been made to this Board.

Mr. Henry: I'm not aware that we have actually created a committee. Our Solicitors told us we couldn't create a committee we would be in violation of the Sunshine Act. There really is no committee.

President Judge Kleinfelter: I don't think your Solicitor ever told you that.

Mr. Henry: That's exactly what he told us!

President Judge Kleinfelter: If there is no committee then there is nobody in charge of this project.

Mr. Henry: There is an oversight Commissioner who is in charge of the project.

Mr. Haste: Actually, we do have a committee. We had asked that Mr. Burns, Mr. Yohe, Mr. Cohen, President Judge, and we had said that a representative from each one of the Commissioners could sit on that committee. We gave control basically to Mr. Burns. This project is under his.....

Mr. Henry: Okay, we never actually.....

President Judge Kleinfelter: My point is that somebody is making decisions and they are not coming out of this committee and they are not coming out of this Board. They are coming out of Mr. Burns' mouth unilaterally and I am presuming it's somebody else's orders.

Mr. Henry: No, that is wrong. Mr. Burns is at our direction because he had clear direction from this Board of Commissioners and I recall our overarching goal, finish the project for no more than \$30,800,000.

President Judge Kleinfelter: You are telling me that the three of you met and told Mr. Burns.....

Mr. Henry: No.

President Judge Kleinfelter: To change the contract.

Mr. Henry: No, I'm telling you that this Board sat in a public session and said the project will be finished under budget! That is what we said in a public session. Now maybe you don't care about whether it's finished on budget or not. I do because we're the ones who have to figure out where the money comes from if it isn't. We are committed to finishing the project on budget and, Mr. Burns at our direction to do that has been seeking options and trying to preserve options. So he is doing precisely what this Board asked him to do at a public meeting.

Mr. Petrucci: Mr. Chairman, if I might put some blood into the debate a little.

Mr. Haste: Why not.

Mr. Petrucci: First off I hope that I was invited to the meeting because I wanted to be part of the renovation committee meeting. However, I know that my schedule teaching at HAAC sometimes conflicts when those meetings occur. I hope they might be adjusted so I could participate. I would like to do that.

President Judge Kleinfelter: You had let us know that you couldn't attend because of your teaching schedule.

Mr. Petrucci: Right. What has transpired from my point of view is I did have a conversation with Mr. Burns. He came to my office. He was making the rounds and getting the opinions of the Commissioners. I would like at this time to put on the record my opinions that I gave Mr. Burns in regard to that conversation.

First off, I do not share my colleagues concerns about getting this thing done on budget. There were things that were added to it that threw that budget off. Those things can be enumerated, they have been enumerated and therefore it is not the same budget and in

so in my mind we are paying and getting more than what we originally budgeted for and therefore the budget should indeed be larger. I have no hesitation to continue what should be done in as an efficient way as possible. What I was more insistent about is the fact that there be hearings, that there be public inclusion, that everyone should have input into what is being done. I feel that some things being done that should not have been and if there had been public consideration of them that they might not of even been started and that we would have saved a lot of money. I told Bob that I felt that, he was suggesting that we shut down the third floor, that had been suggested, and I said well, I would prefer not to shut down the third floor, I would preferred that we wait in regard to the café and hold that off and save money from that and put that into Phase II because I think there are potential other considerations for that particular thing. I don't think that would have caused any basic stoppage in what I know needs to happen and that is the renovations of the rest of the facility. I concur with the Judge that it is rather foolish to consider the possibility of breaking up renovations of the Courthouse into phases. I think that we are at an appropriate time where interest rates are such that we should move rapidly and smoothly into Phase II. I think that our opportunities of getting low interest rates for these projects is now, not later. I think our society needs the government sector to do what it should be doing to try to stimulate a stagnate economy and infrastructure improvements like this...this is the ideal time for societal impact to occur. Rather than let political undertakings stop what is a societal benefit to me is not the proper course. We should be moving rapidly to get Phase II underway in its full consideration and it should be all that it should be not more than it should be but all that it should be which would entail full inclusion of everyone's ideas and input. That was what I told Mr. Burns and then I received a memo that he put out as result of his conversations with the other commissioners and it did not include some of the comments that I had made but sort of reflected majority opinion, I guess of the other commissioners that being on budget was more important than being engineer sound. So I just wanted to put onto the record my concerns and my points of view in regard to that. Thank you.

President Judge Kleinfelter: Let me just jump in, you talk about Phase II and Phase III. I just want to see Phase I get completed the way it has been designed and contract.

Mr. Haste: Bob, could you bring us up-to-date?

Mr. Burns: Mr. Chairman, just a couple of points and I don't want to engage in a semantics with the Judge because I'll lose that debate.

First, there have been a lot of meetings since December that I sat in on, I'm willing to guess between ten to twelve. One included the President Judge, facilities have been in on it, finance, Buchar Horn, Whiting Turner, and the purchasing director. I think there have been a lot of meetings. I would characterize my directive to Whiting Turner different. I did not order them to stop work. I told them they should not begin work until the Commissioners give a directive that they have the okay to each floor as initially outlined back in 2000. I think there is a difference there and I did make clear that I would equate it to the Board's position on change orders and purchase orders that they

should not go forward until the Board first approves them. The direction I have from the Commissioners, I believe is that additional floors at the Courthouse should not go forward until the Board approves it because I think the Board recognizes that's how we got in trouble with adding the Sheriff's Office without it being debated or discussed and now we are looking at the consequences of that.

Lastly, in terms of any change to the scope of Phase I renovations, all of the proposals that have come before the Board have come from either Whiting Turner or Buchart Horn or a combination thereof. So in terms of whether they are engineering sound, they came from the engineers and architects on the job and I think the Commissioners are evaluating it.

Last, Commissioner Petrucci accurately summarized our conversation. I did not include that recommendation, Anthony on the café, Commissioner simply because I did check the numbers and found that the cost to complete the café was hundreds of thousands of dollars short of the Sheriff's Office.

Mr. Petrucci: Okay.

Mr. Burns: That's all I have Mr. Chairman.

President Judge Kleinfelter: Can I just say one thing and then I'll let it go at this. What is happened here and is unnerving to me, is what has been stopped has already been approved by this Board. It was approved when the design was approved and the contracts were let. This stuff is presently under contract. What has been stopped is not a change order. It's not anything new. I think there are both engineering and economic consequences unilaterally to tell Whiting Turner to stop work. There have got to be economic consequences to that. I don't think anybody here in this room, except maybe them, fully appreciate that. I'm again going to request that we have an executive session to try to find out who is really at the helm of this ship and if we have to make changes that those changes be made a thorough investigation of all the consequences. Thank you, gentlemen.

Mr. Petrucci: Mr. Chairman, if I may make one more comment that I wanted to make and didn't make at my meeting with Mr. Burns. Some of the recommendations that came out of the discussions that the Chief Clerk had talked about ways to reduce costs of the project and there were several proposals put forward about ways to do that of which did involve our contractor and our manager. My comment was that rather than have either of them be singled out for punishment and basically have our contract declared ended that we should keep both of our team together until conclusion of the project. And that they both be asked to share in finding ways to reduce costs. It would be improper in my sense unfair that one of the team be singled out for a particular hardship. I think both of the groups that we have hired have done due diligence operating under very difficult circumstances and would love very much to get onto a proper footing and probably be consolatory in adjusting some of their costs to us. I think

that would be the fair approach. I disagreed again with some of the comments that were made in the recommendations that came through in regard to that. Thank you.

Mr. Haste: I know there were comments about not being concerned about the budget, quite frankly, that's what I'm most concerned about. Again to defend Bob's objectivity on this so far, my take on this and actually before we move forward, one of the things, it is in fact prudent to gather all the facts to see exactly where we are to date before, no pun intended, hastily move forward with some of this. I think because there wasn't careful enough oversight over this, has gotten us into this problem. I am not here to place blame anywhere but on the other hand I think some of the work that is being done out of county forces could have been and should be done with county forces. I think that has to be an option to be looked at to save funds. I would not suggest that either of the professionals or any actions to be done is punitive. Both have been compensated quite well so far in this project and however, knowing that the project is in the situation that it is I think for us to move forward everybody needs to recognize that and there's got to be cutbacks the whole way across this for it to come in on budget. I'm not so sure that the direction that it is now is going forward. I know the Board has moved forward and made recommendations in the past as far as the project goes but I think the project slipped a little bit away from the Board of Commissioners and their understanding. That is obvious as we go through this that things have happened that my colleagues were not aware of. One of the goals that I have is to make sure that my colleagues are in fact aware of this project, where it is and where we are going. I think we will move forward but I also think before we can do that and know exactly what it is, I for one want to know the complete lay of the land. The budget is a major concern to me because if we go over \$30,800,000 I'm not sure where we'll find those funds unless we go out and borrow them again. That's really the only option we have. Mr. Serhan.

Mr. Serhan: Good morning Commissioners. I'm not sure Commissioner Haste or Solicitor Tully can respond to this but I just ask a question. Do you have a contract, I keep hearing Whiting Turner's name brought up as construction manager for the Courthouse, I'm sure you must have them under contract but the Controller's office does not have a contract. If you have that contract, please forward a copy to our office for Whiting Turner.

Mr. Burns: We discussed this a couple of days ago and one of our staff thinks they may have a copy of that contract.

Mr. Serhan: Great.

Mr. Burns: If we do, we'll certainly copy you on it.

Mr. Serhan: Okay, thank you.

Mr. Henry: If we are going to make any alterations to the duties of these contractors as we complete the project having a copy of the initial contracts so we know what notification or what negotiating processes we may need to go through seems to me to

be key. Let me say I agree with everything Commissioner Haste had to say in keeping this project on budget is the paramount concern because if we borrowed the additional money I don't know how we would pay it back.

Mr. Haste: Is there anything else under Courthouse renovations?

Mr. Burns: Nothing, Mr. Chairman.

Mr. Haste: Your Honor, the only thing that I would say to you is, we will be moving forward. I would feel more comfortable moving forward once I have a better picture of where we are and I'm not sure I have that yet.

FACILITY UPDATE

Mr. Cohen: Good morning, Commissioners. You should have received a packet this morning of the Facilities Update. If you have any questions, I'm here to answer them. If not, everything stands as presented.

Mr. Haste: Okay.

ITEMS FOR DISCUSSION

Mr. Haste: We have a consideration of proposals from Z&A to extend their contract for Dauphin County for 2004, 2005, & 2006 for the following three items:

1. General audit of Dauphin County's financial statements; 2004 = \$156,045. This figure represents a 3% increase from the 2003 cost. Our cost would increase by 3% in 2005 and 3% in 2006. This proposal also calls for ZA to perform the 911 audit at the cost of \$5,565 in 2004 and to increase by 3% in both 2005 and 2006.
2. Audit of Dauphin County tax collectors to be performed on a cycle basis (10 per year) for an annual fee of \$39,315 in 2004 (a 3% increase from the 2003 fee). The proposal calls for a 3% increase in 2005 and a 3% increase in 2006.
3. Audit of Dauphin County District Justices at cost of \$35,020 in 2004; this represents a 3% increase over the 2003 cost. The proposal calls for a 3% increase in 2005 and a 3% increase in 2006.

Is there a discussion on this contract?

Mr. Petrucci: Yes, I would like to ask if there was an RFP submitted for the audits of 2004, 2005, & 2006?

Mr. Burns: If I could address that Commissioner, there was not, this was the first proposal received and of course it is not going to start until the end of 2004. I felt the direction of the Board might be to do an RFP. So I put this on the agenda to get a debate going to get some direction from the Board.

Mr. Petrucci: I had suggested in December that we create an independent Dauphin County auditing board. The purpose of that Board would have been to look at the scope of work that we are legally bound by state law to follow. Also, to look at what might be of interest to us to make sure that we have financial sound operations going on in the county. And that that scope be lead to the creation of an RFP. I would like to make an independent audit committee because I think it would be better than having our internal auditor, which is the Controller, who is doing an excellent job, at least from what we know in regard to auditing but, an independent auditor or an external auditor coming in, I think should be handled by someone other than the person doing the internal auditing. That seems like some sort of potential for a conflict so I think that an independent auditing committee like in almost all corporations should be the one who sits down and looks at the scope. I think that the internal auditor, the Controller, could be on that Board. Perhaps she would feel she shouldn't be. That kind of independent board then can look at what the law does entail and require of us. And then we could look at the scope of it and decide what we want audited. I think we are wasting tons of money on audits that we do not fully understand, comprehend or have actually had the developing insight to ask. For example the other day, we were looking at and I questioned the \$5,000 for the armored car expense. The Treasurer states that this money will be fielded out to all these other offices, the Prothonotary, to the other offices that have money, all sending money to the Treasurer. To my knowledge in the twelve years of being here, we have not had a complete audit of our Prothonotary's Office which handles hundreds of thousands of dollars. We have not had an independent complete audit of the Treasurer's Office which is the focus of almost all of the cash coming through. Therefore, I feel a need that we have more control over the scope of what it is that we are auditing and that it be more separated from those financial officers who are already doing the internal auditing. Therefore, I would suggest that we create a committee and sit down and see what it is that we are required by law to do and to look at what we have done and what we need to have done and then prepare an RFP and send it out to the major auditing firms for their responses back.

Mr. Haste: Bob, I think we should move forward with developing an RFP. I'm not sure I know what the committee is that my colleague is referring to but actually my thought between our solicitor's office and our offices we ought to be able to know what we need to do legally. I'm never one to oppose having someone take a view at it. If we can move forward and develop an RFP, it's a good thing. One of my understanding and reasons that we do go out and hire an auditor to do some of this is for that very reason,

so there is an outside independent person doing it. I know they work very closely with the Controller's Office, frankly, it's the Board of Commissioners that signs the contracts with the auditing firm and not the Controller's Office. That is our responsibility. I think an RFP is a good way to solicit input from professionals.

Mr. Dick: I have one comment regarding the Treasurer's Office. Those items that I'm the agent for, the Commonwealth of Pennsylvania, the Auditor General comes in and audits my records. I'm proud to say that every year they have audited we have been right on. We have not been off a penny. We do have that plus the tax collectors as you know are audited. We process their money. So there are checks and balances as far as the Treasurer's Office is concerned. We do have auditors come in, independent auditors.

Mr. Haste: Okay, I think the direction is to move forward with an RFP and put it out and see what the professionals have to say.

Mr. Petrucci: Mr. Chairman, I see a hand there. Gary wants to have a comment in regard to this which is appropriate.

Mr. Serhan: Excuse me Commissioners, but Commissioner Petrucci, the Treasurer's Office is audited annually within the County's general audit specific attention is paid to the Treasurer's by virtue of his tax collection. They audit thirty-nine tax collector over the course of four years. Annually, he is audited not once every four years but annually. They also look at all records including the Prothonotary, Recorder of Deeds, Register of Wills, Clerk of Courts, they all come under scrutiny. Periodically more intense than others. They won't do them intense each year but they do them intense every few years. They actually have management letters on them should they find them to be for recommendations for internal control. That is done, I don't think you are aware of that.

Mr. Petrucci: I did look at the general audits that we do have done and I do see that the Treasurer's Office is included in that. But like you say in my mind it's never an intense, I never saw an intense special audit of particular offices like the Prothonotary. So when we read in the newspaper about a Prothonotary in

Mr. Haste: Mifflin County.

Mr. Petrucci: In Mifflin County going to Las Vegas with \$800,000 of peoples money, I wonder, gee when was the last time we did a specific audit of our Prothonotary Office. I cannot recall that we ever did. I would like to be able to assure my constituents that our Prothonotary is not going to Las Vegas with our money. We are so concerned about budgets, lets get concerned about the budgets and do a nice little audit so everyone is up to speed. The general audit, where do they get that information for the audit? I've looked at them and they are not all that helpful in regard to telling me what we are doing, how we are doing it and who is responsible for doing it. So I think we come to your office and get from our internal audit the information that they then give us from their external audit. It just doesn't seem like I'm getting my monies worth for what I'm

paying for. I want a true sense of independence in that audit and some direction of what it is we are auditing. Like who is doing credit cards, who is doing cell phone, who is doing a variety of things like that that we might be saving money on that we haven't really watched.

Mr. Serhan: Credit cards are a pet peeve with me so we won't go there. However, the audit, the information they gather for auditors is from the central accounting system. Even though it is generated by all county offices, either paid for out of the Controller's Office in the form of disbursements, accounting transactions, such as journal entries, or in the Treasurer's Office in the form of cash collections, that is where all of the information is. That is why they have to come to us. The auditors that have been selected, and have been doing the audit for sometime now, that being ZA, we will go out now on an RFP for it, it used to be Peat Marwick, they have a guide they go by. County Institute of Certified Public Accountants, general accounting principles that they must adhere to. These outfits especially like ZA and Peat Marwick, prior to them, audit most of the counties and the audit reports that result from their work are provided to various groups at least five that are representatives of all kind of municipal bond sales companies. Say Mellon Bank wants to know how secure is Dauphin County, we own five million dollars worth of their bonds. They would go to one of these outfits and that is where they secure their financial information. Audits are also used by Standard and Poors, as Mr. Henry keeps saying our bond rate is up. The audits therefore are compliant with all regulations. They are standardized to all regulations to the accounting industry because they can't vary. So the audit you get, even though you may look at these things and say, you know I would like to see more information. That would be a supplemental report done on the side. It would not be part of that report. A rating agency or financial agency would look at this and say, what is this stuff. It's an industry and it's very strict and it's very concise with what information you have in there. I'm just trying to make that clear for you.

Mr. Petrucci: Let me ask you a question and perhaps it will help me out. Things have changed since last year's audit and yet the auditing requirements haven't. If we were to do a general audit, like we did the previous year, would they know that we would like to have them, for example I would, to go and audit the hotel tax we put into a corporation in the Economic Development Department and do a separate audit on that or take a look at it and include it?

Mr. Serhan: That they will. They will audit the Hotel Tax separately. The County's Hotel Tax. As a matter of fact, let me take this a little further. That audit report in the Economic Development Corporation who was recipient of those taxes, their audit will be incorporated into ours as a component unit of the County.

Mr. Petrucci: Excellent.

Mr. Serhan: You will see that, it will be in there. That a more specific and it will be done.

Mr. Petrucci: I was wondering if I may add another comment as we're talking here about auditing. We are of course in an environment in which our whole nation is suffering from the failure of proper auditing. We are of course.....

Mr. Serhan: Like a weekend at Bernie's!

Mr. Petrucci: We are looking at having to put an extra amount of money into our pension fund as a result of poor auditing across America. In the Controller's County Code, it suggests that you might be able to on your financial report that you have to make with the EC, that you might make an executive summary page and sort of give a nice brief look at the County's expenditures and revenues. It also suggest that you could produce a pamphlet and it also suggest that you could print an ad in the newspaper and it limits the amount of that ad to \$1,500. I think in this environment we should go about doing this little extra outreach and make sure that people have that information. I tried to look at those reports that you have to make to the state. They don't often make a lot of sense but I'm sure with your skills we could get a nice little couple of page executive summary. I think that should go onto your Controller's web page link. This would be in addition to budget information that the Commissioners have on their link. I sure don't want to spend any more money but at least normally, your nice executive report could be put onto the County Controller's web page.

Mr. Serhan: That is a good idea. We can do that.

Mrs. Rebuck: Let me respond to Anthony. We do every year, required by law by March 31, advertise a summary of the expenditures and revenues. So that information does go into the newspaper. It is available to the public.

Mr. Petrucci: Do you have to buy ads for that?

Mrs. Rebuck: Yes, I do. We try to keep the cost to around \$500. We have been able to manage to keep it at that.

Mr. Serhan: One comment to make about the state report that we make to DCED, it is so concise, it is almost meaningless any more. They reduced that breakdown, as you know, almost meaningless right now the way it is. That's just the way it is. The one before that gave a lot of information. Have I helped you out?

Mr. Petrucci: I brought the audits from the D. J.'s Offices, and they talk about a great deal of money that was collected and spent there. The questions that I have are, do they bring the money into the Treasurer's Office like tax collectors do or do they have their own bank accounts for each D.J., what is the revenue stream for the D. J.'s?

Mr. Serhan: For the day to day operations, each D. J. has their own bank account. Monthly they send reports into us along with a check and we make sure the report...we verify the accuracy of the report along with the company check with the County monies and deposit in Bob's Office.

Mr. Haste: They collect funds not only for the County but for municipalities as well.

Mr. Serhan: They make distribution themselves, correct.

Mr. Petrucci: Thank you very much, Gary.

Mr. Serhan: You're welcome.

COMMISSIONERS' COMMENTS

Mr. Haste: Anything else under Commissioners comments?

PUBLIC PARTICIPATION

Mr. Haste: We are back again for public participation, is there anybody in the public that would have anything to add to our meeting today?

ADJOURNMENT

Mr. Haste: I'll entertain a motion to adjourn.

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: All those in favor say, aye.

All: Aye.

Transcribed by: Shari Eagle
March 6, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff

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