



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

TUESDAY, MARCH 18, 2003 (10:00 A.M.)

MEMBERS PRESENT

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

STAFF PRESENT

Robert Burns, Chief Clerk; Julia Nace, Assistant Chief Clerk; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Bob Dick, Treasurer; Phil Spaseff, Recorder of Deeds; Joseph Kleinfelter, President Judge; Randy Baratucci, Director of Purchasing; Jim Frandano, Information Technology; Sharon Manton, Director of Personnel; Rick Wynn, Director of Human Services; Mike Pries, Director of Safety and Security; Edgar Cohen, Director of Facility Maintenance; Jennifer Kocher, Director of Communications; Dan Robinson, Director of Economic Development; Anthony White, Director of Fiscal Affairs; Barry Wyrick, Administrator of MH/MR; Bob Knupp, Esq.; Jane Gordon, Commissioners' Office; Kacey Truax, Commissioners' Office; Greg Schneider, Commissioners' Office; Dan Mosel, Human Services; Sharon Ludwig, Personnel; Lorrie Bushman, Personnel; Iva Hodge, Personnel; Willie Evans, Personnel; Kelli Beserra; Personnel; Diane McNaughton, Communications; Melanie McCaffrey, Solicitor's Office; Mark Templeton, Prison; Steve Howe, Tax Claims; Carolyn Thompson, Court Administrator; Shari Eagle, Information Technology.

GUESTS PRESENT

Jack Sherzer, Patriot-News; Sondra Mosten, Bill Cluck; Rich Bowra, Dauphin County Library, Sara Jane Cate, Catherine Alloway, Karen Cullin, Patrick Judd, Whiting/Turner.

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: You should all have the February 19th Workshop Minutes in your packet. We will have them on next week's Agenda.

PUBLIC PARTICIPATION

Mr. Haste: At this point in time it is appropriate for Public participation. Is there anyone from the public that would have something that they would like to bring before the Board?

PERSONNEL

Mr. Haste: We move into Personnel.

Ms. Manton: Good morning. You have the Personnel packet which was previously distributed that includes three Salary Board items and the standard Personnel items. Any questions that I may answer for you?

Mr. Petrucci: Yes, Sharon. On the summer intern program, is the minimum wage \$8.15? How are we able to pay \$7.65 an hour when the minimum wage is \$8.15 an hour?

Ms. Manton: Minimum wage is not \$8.15 an hour to my knowledge.

Mr. Petrucci: It's not? What is the minimum wage?

Ms. Manton: \$5.35 an hour.

Mr. Petrucci: You're kidding. It's that low?

Mr. Haste: Yes.

Mr. Petrucci: Ok. Secondly, on the same issue. That position is to be paid out of the Hotel Tax but I can't tell you how many times I have been told that we have no money left out of the Hotel Tax. That we already have spent it all. How do they expect to pay the summer intern out of a source that we have been told has no money left in it?

Mr. Haste: Dan?

Mr. Robinson: That money was budgeted in the 2002 budget for a summer intern. All we are asking today is the ability to create it. Should one be hired we would ask the Board at that time if we could do that through the budgetary process. The money in the Hotel Tax is not totally allocated in the sense of what you have been told or heard but it is based on the criteria set forth by the Board in 2002 budget.

Mr. Petrucci: So when we said, when you were telling us that the Hotel Tax is basically all spent...

Mr. Robinson: That is out of the 1% Hotel Tax. As you know we get some monies through the Pennsylvania Capitol Region's Vacation Bureau. Those monies are budgeted and one of the line items in the budget is for a summer intern. That could change in 2003 or 2004 or however the Board guides us.

Mr. Petrucci: I am all in favor of interns. Indeed I think the Commissioners' themselves in our office up here should investigate the opportunity of having interns. Good luck on your program.

Mr. Robinson: We have worked or are working currently with Penn State Harrisburg which is having a summer program where they will bring students from around the Commonwealth to live and be housed and then do externships with companies. So we would be designated as one of the companies. They potentially could do that for free but they have indicated the interns would prefer to be paid.

Mr. Petrucci: Thank you, Dan.

Mr. Haste: Any other questions under Salary Board?

Mr. Petrucci: No.

Mr. Haste: Marie, do you have anything? Ok. Sharon.

Ms. Manton: In the regular Personnel packet, unless you have questions on any of the items we do have a New Hire that we would seek your approval for today. I believe Kay Sinner from Dauphin Manor discussed this with Commissioner Henry. It would be New Hire number 8 and the related Vacancy into which that individual will be placed.

Mr. Haste: Is this the custodian?

Ms. Manton: Yes. New Hire number 8. The rest of the packet then would be able to wait until the Legislative Meeting.

Mr. Petrucci: The budget director looked over?

Ms. Manton: Yes, he did.

Mr. Haste: Any questions for Sharon on that? Is there a motion to approve?

Mr. Petrucci: Isn't that for next week?

Mr. Haste: No, what they are saying is they would like to have it approved, item number 8, approved today.

Mr. Henry: The Custodian for Dauphin Manor. We are very short staffed on custodians at the facility.

Mr. Petrucci: Ok.

Mr. Henry: I'll make a motion we approve New Hire number 8.

Mr. Petrucci: Second.

Mr. Haste: We have a motion and a second. Is there any discussion? All those in favor signify by saying aye.

All: Aye.

Mr. Haste: Opposed? Motion carries.

Ms. Manton: Thank you.

Mr. Henry: Before you leave, Sharon, you thought you were going to get away without that. I think it bears noting that this will be the last Board of Commissioners' Meeting that Sharon will be with us. She has accepted employment in the private sector and will be leaving in a few days. Sharon, as is our custom, we don't let significant milestones of this sort occur without having the Board of Commissioners duly take note of that. And in our usual fashion we have a proclamation for you. If the Board will indulge me I will take a minute to read the proclamation which I think is appropriate. I think if you look back over the last three years and the fact that we did not even have for all intents and purposes a modern, functioning, Personnel office when Sharon came here. She has literally built the office and the department from the ground up. There have been many Personnel challenges over the past three years and Sharon has led us through them all with a great deal of diplomacy. In recognition of that:

We, the Dauphin County Board of Commissioners, extend our heartfelt thanks and best wishes to Sharon H. Manton as she leaves behind her current position as Dauphin County's Director of Personnel and Payroll to pursue new challenges and opportunities;

Whereas, Ms. Manton's exceptional leadership abilities, keen intelligence and countless achievements are well known and deeply appreciated;

Whereas, Ms. Manton streamlined the operations of the Personnel and Payroll Departments and empowered its employees to function as a team;

Whereas, she succeeded in involving all employees in the many forward-thinking projects she conceived, increased communication among employees, and promoted a spirit of teamwork;

Whereas, through careful research and analysis, this quiet manager proved that it was more cost-effective to forego outsourcing payroll, and she made personnel forms, postings and policies more accessible to the public by posting them on the website;

Whereas, reflecting her innate sense of fairness and integrity, she helped to negotiate six contracts that brought substantial benefits to both this county and those who serve this county, and she developed human resources policies such as family and medical leave, bereavement leave and pay for performance, allowing her professionalism and concern for our employees to endure long after her departure;

Therefore, we join the 251,300 residents of Dauphin County in thanking Sharon Manton for her outstanding legacy of service; we bid her a sad, but very fond, farewell; and we wish this beloved employee a bright future and every happiness as we proudly declare March 18, 2003 as "Sharon Manton Day" in Dauphin County.

Sharon, thank you.

Ms. Manton: Thank you.

TRAINING PACKET

Mr. Haste: Training packet, Bob.

Mr. Burns: Mr. Chairman, there are 16 requests before you today in the packet. They have all been pre-approved and they can all wait for Board action at next week's Legislative Meeting.

Mr. Haste: Thank you.

PURCHASE ORDERS

Mr. Haste: Purchase orders, Mr. Baratucci.

Mr. Baratucci: Commissioners, you should have received your packet yesterday. There are a few budget issues that Mike and I need to work on for next week. We will do that. If you have any questions on the packet I will be happy to answer them otherwise it can be forwarded to next week.

Mr. Haste: Any questions for Randy? Ok.

DIRECTORS

Mr. Haste: Dan.

- A. Dan Robinson, Director of Community & Economic Dev.; and Peter Carlucci, Esq.
 1. Discussion concerning a parking project and possible County Guarantee.

Mr. Robinson: Good morning. Our Industrial Development Authority solicitor, Pete Carlucci, was ill this morning so I am going to pinch hit totally here today. On March 5th, I believe the Board and I met with Phoenix Developing Group and Reynolds's Construction on a project in Market Square Plaza. That is to guarantee parking of two floors, roughly 100 spaces, in that building. What we are asking the Board to do or to consider for the next meeting is to guarantee what the Dauphin County Industrial Development Authority does with respect to the parking. We anticipate this project to be around \$2 million. The corporation would be the conduit owner of the parking. We would also use this for development within the downtown as well as an added asset to our Veterans Building marketing where parking currently does not exist. Again the Industrial Development Authority would service the conduit to do the financing. The Dauphin County Economic Development Corporation would own the building. Because we have no assets we are asking the Board by resolution to guarantee what we do and the County would determine the willingness of the guarantee at a later date. You would always have the ability to approve or change this resolution.

Mr. Haste: Have you given a copy of this to the Solicitor's office?

Mr. Robinson: I have just now. I just received it unfortunately this morning. I'm here this morning if you have any questions of me or that I can take back to my Industrial Development Authority Board prior to next week's meeting. I know part of the reason we are trying to fast track this a little bit is the developer has some concerns in building the building. They need to forward on it in a reasonably fast time frame. But again we are only asking you to guarantee the project if there would be a short fall.

Mr. Henry: The project is actually being undertaken by the Dauphin County Industrial Development Authority not the County.

Mr. Robinson: That is correct.

Mr. Henry: It is only for parking, correct?

Mr. Robinson: Correct.

Mr. Henry: It would seem to me to be an incredible asset to have control of in Center City Harrisburg.

Mr. Haste: I was just going to say, Dan, since this is the first time that we have discussed this in an open meeting, the other was in an Executive Session, could you just explain the project in detail, what we are looking at and the importance of it?

Mr. Robinson: The project would encompass the Market Square Plaza building which is going to be located at the building adjacent to the Hilton. Currently there is surface parking there. It is going to be I believe a 17 story building. What the developer had proposed to the County is in building this building they had the ability to raise the level of the structure two additional floors and in doing that they didn't currently need them for the occupants of that building. They thought that all the issues that they have heard around town with respect to our Veterans Building is that one of our obstacles in leasing that building is the ability to give parking along with the leases. So this building would be constructed again, at 17 North Second Street. They are scheduled to break ground this spring. That is why it is imperative on us to make a decision. Should we choose not to guarantee the parking the builder would not do the additional two floors. We anticipate the building being done probably a year from now, April of 2004 with parking being able to be leased. The structure of our plan through the Industrial Development Authority would be to own the parking. We wouldn't actually be collecting parking fees or giving out stubs or cleaning the building. We would out source that to a management company. In doing that, we have give a preliminary breakdown, it would roughly with debt service cost around \$61 to lease the space. When you add in electric, cleaning, management and maintenance you are up between \$80-\$100 per space. We anticipate for reserve spaces being able to lease the conduized spaces at \$120-\$155 a month. We would borrow the money on a 30 year note and that's the summary of the project.

Mr. Haste: Would these be GEO bonds or revenue bonds?

Mr. Robinson: These would be tax exempt bonds. So we do have the ability to do that. We could also do taxable bonds and what our solicitor has told us is if we lease them for example to County employees which probably wouldn't occur, but if we would we would not pay the taxes on those. If we would lease them to a private company that would move into say the Veterans Building or anybody in the public sector, we would pay the taxes or payment in lieu of taxes.

Mr. Haste: I think the other importance is, not just the parking, but from the agent that we hired to try and lease the Veterans Building the biggest draw back is the lack of parking. So no matter what we do to the building if we can't add parking to that we adversely affect our ability to lease those.

Mr. Robinson: Should the Board at a future date ever consider selling that building you would also have the ability to sell the parking with the building. So that is another asset.

Mr. Henry: Or lease it. I for one think we ought to sell the building. I don't think it is needed any longer for County purposes and if we can put it on the market and have parking available I think it greatly improves the value of the building. Certainly it would improve its marketability. I'm told through ParkMor, in the vicinity of downtown where we are located there are awaiting lists of up to 1,000 different people that could occupy these if it is separate from the Veterans Building. So it is not, the market should be able to handle this. We do have, which will probably come out in the details of the Industrial Development Authority issuance, a commitment from the developer to lease one of the two floors at least for the first year. So we would only be on the hook in year one for about 50 spaces.

Mr. Henry: It also continues our commitment to the improvement of the downtown area, particularly the Downtown Improvement District around our County buildings.

Mr. Haste: Any other questions for Dan?

Mr. Petrucci: I would ask Dan just to figure out an answer from Phoenix on one issue and that is why did they not consider building those two floor in their original proposed building plan? If there are economic opportunities to having parking floors and those two floors could have been built why didn't they have them in their original plan to have already built those two floors? I haven't been able to find those answers. I think it is good that we do it. It makes sense. I'm just wondering why they didn't think of it in the first place.

Mr. Henry: I can maybe shed a little light on that. It is sort of in a circular route. I know with our ongoing efforts at restructuring the financing on Forum Place one of the issues that came before this Board in the deal that we attempted to put together last summer and this Board actually approved, was a County guarantee on parking floors. I know that in terms of the developer or the overall funding financing package, having a County

government guarantee a portion of the building does qualify the remaining borrowing for lower rates. So I am sure that the developer here, if they just had to do it on a private commercial basis it would not give you that value added benefit in terms of being able to qualify them for lower overall interest rates on the borrowing. If the County were to purchase these two floors or if the Industrial Development Authority were to purchase the two floors with a County government guarantee it then triggers more advantageous interest rates and makes the project doable. That has been our experience with what we are attempting to do with Forum Place so I would assume that it translates fairly closely here. We can talk further with Reynolds and it would be interesting to see if that is in fact the case. Just from what we learned in that experience I suspect that is what is at play here.

Mr. Petrucci: Ok.

Mr. Robinson: Just as a point of note, we are being told we can borrow this money through the Industrial Development Authority at about 3.85%. If there is a good time in history it is probably right now.

Mr. Haste: Any other questions for Dan? Ok. Rich Bowra.

B. Richard Bowra, Executive Director, Dauphin County Library

1. Proposed Library Funding cuts.

Mr. Bowra: Good morning. Thank you for the opportunity. I am Rich Bowra, Director of the Dauphin County Library System and I have with me Board member Sara Jane Cate who is past president of the Board and chair of the Library Services Committee which will be one of the main committees looking at some of our budget issues in the months to come. I have a challenge here because Commissioner Petrucci gave me 6 questions and three minutes to answer them. I will try to be brief.

As you know the last two weeks have been very trying for the public library community. Governor Rendell, in his budget that has been approved by the House and Senate includes a 50% reduction in public library funding, very, very deep cuts. We, in terms of the impact on that I will get to that in a moment. As you well know there are several months to go before any final decision is made on the budget. There will be a Governor Rendell part 2 in a couple of weeks or maybe not even a couple of weeks at this point. Also probably supplemental budget sometime before July 1st. What we have painted at this point is a worse case scenario if that budget were to go through. We are working hard. We are very optimistic that ultimately the cuts will be far less severe than are currently proposed. The public response has been phenomenal and that is part of the democratic process. We have been completely overwhelmed with public support. Today's paper is one example. The front page of the Metro East talks about little vignettes about library services and we also have an op-ed piece in the paper today as well.

To preface what could happen, I think it is very important to say that we are hopeful that over time, before July 1st, that the cuts that are currently proposed would

not go into affect, that they would be much less severe than are proposed. It is still a problem for us but not the grave situation that we are facing at this point. One of the questions is when. There are two parts of the State budget that impact us. One is the State subsidy we get to be what is called the district center where we get a subsidy to do certain services to Cumberland, Dauphin, Lebanon, and Perry. Delivery, inter-library loan and things of that sort. That component kicks in July 1st so impacts there could be as early as July 1. The other part of our State aid is not paid until January 1 even though the fiscal year starts the July prior. What we are waiting to hear from right now is, depending on what cuts are put into place whether libraries will have the ability to gear down somewhat in the second 6 months of 2003 because the way that the State code currently is written is you have to expend at least the same amount of money as you did the previous year or else you don't get any State aid. So if we were to slow down then we would not get any State aid in the coming year. So a lot of this is unresolved at this point.

What our biggest concern right now is, in the cuts, and there are a lot of different thoughts on that that I won't get into here, is that they are very disproportionate to other cuts that are being made. We are also sensitive to the fact that counties have been hit in these cuts as well.

Let me try to quickly go through the six questions and what I did do is prepare something that is more comprehensive that the Commissioners can look at another time. Questions one and two I'll take together. Commissioner Petrucci had asked where we are on the six capital expansion and renovation projects in the system and how the proposed State cuts might affect those. Of the six projects the Kline Branch is done. We completed that some time ago. The Branch in Northern Dauphin County is currently under construction. We are under contract with that so we are obliged to complete that and we will do so. That will be done hopefully by June or July of this year.

What we are doing now, there is more detail in this packet but I will try and do a quick overview here, is the campaign that we have done, the public part of the campaign is \$2 million. We are very close to goal at this point. There is about another \$1 million in grants and subsidies that we have toward the projects. That leaves the remaining portion, the \$2.65 million in State funds that we have been trying to get released for about three years. We are well aware that even some of those grants or ceremonial checks were presented this past December are now frozen. We are still going to advocate to try and get those monies released. Our capital project is a five year plan. So we still have time to work with. The pledges on the \$2 million are a five year pledge period so the money is not coming in all at once. What we are able to do, we are certainly number one, assuring the public and the donors that all monies donated to the capital campaign projects are being used exclusively for those projects. That's what they were solicited for and that is what they are going to be used for.

The good news is that in some of the projects there are some pieces that we can break off and do now and other pieces that we can postpone. For example at our historic building downtown we have to replace the failed air conditioning unit after being put in 1963, it decided it was time that it was going to fail. We have funds as part of the total for that building to do that now and do some roof repair and replacement there as well.

In Hummelstown, we were able to purchase the property with a bequest. We are able to move forward with some engineering and architectural work from that bequest. We would not be starting the building yet but we can do that as well.

In Uptown Harrisburg we are, I was interested when Mr. Robinson was talking about some of the bond issues. That is something that we may be talking about at some point is looking at that. Uptown we currently lease facilities there so we could turn around the lease payment into a mortgage payment and we need to look at what the lower financing options are. But to make a long story short, through these projects we are going to be able to do parts of them at this point and to do some additional planning at this point because we do have a five year window. So the projects might be delayed a bit but they are not going to be taken off the table, because we need the proper facilities to be able to do the service that we do.

Question 3, Commissioner Petrucci asked about the measures that might be taken depending on the budget cuts and the different scenarios. What I would like to do at this point is to turn it over to library services chairman, Sara Jane Cate, as to how that works with the Board.

Ms. Cate: The Library Services Committee would meet with key members of the staff to take recommendations from the key members of the staff. We would have a major discussion about what we feel were the best measures to take. We would report to the Executive Committee who would also be hearing from the Personnel Committee and then it would go to the Board for final decisions.

Mr. Bowra: So there is a process. We are working on various scenarios now so that we can be prepared and so that we can also clearly communicate to legislators what the impact might be. Again, we are very optimistic about demonstrating the need to restore the funding.

In one of the newspapers, one of the stories that were on earlier it did show one of the Story Time Programs. Unfortunately the reporter identified the person in the Story Time as a volunteer and the Commissioner had asked about using volunteers. The person in the picture was actually a paid staff member not a volunteer. But one of the questions does ask about to what extent do we use volunteers in the library system. Last year according to our annual report to the State, we had about 10,000 hours of volunteer service to the library system. That does not count our Friends of the Library Group. So we do use volunteers extensively in the system but certainly for certain tasks, certain behind the scenes tasks like checking in books, straightening books, assisting with programs, book sales and things of that sort. We do have a strong constituency like any other business that you can use volunteers up to a certain level and then beyond that level there is a certain amount of training and expertise that is necessary where you do need to use paid staff. We are very dependant on volunteers at this point and we think that we are using them to our maximum efficiency.

The last question was looking at the possibility of locating library branches into the senior centers. As you know we have a very comprehensive capital projects program right now. Our buildings at minimum should be 6,000 square feet. Actually some earlier studies show that they should be at least 10,000 square feet. Library buildings are very specific in terms of their need for floor loading requirements for

handling the weight of books which is greater than a parking garage, believe it or not. For program space, for all the different spaces that libraries need for what they are doing for technology and so forth. In terms of senior centers however, the irony in this is that we have been working with our new outreach coordinator to really be much more aggressive in services to seniors. One of the pieces in the paper today talks about Senior Net where we are working with seniors in computer training. We do want to be able to offer more outreach to seniors and that might actually be done at some point in some senior centers as an outreach piece. But our facilities are very important as being very specific to libraries and in fact as you well know in the last couple of years we did merge two facilities in Upper Dauphin County to become even more efficient.

In closing it has been a very difficult two weeks. It has been very sad in the respect of what has been proposed but it is equally or even more gratifying in terms of the public response saying that this is very, very important. As the Commissioners know, I didn't expect to be back so soon, I was here about a month ago talking about our strategic plan for the coming year and the financial plan that will have to accompany that. We ended up going into crisis planning the last week or two instead of strategic planning but we hope in the next few months to get back to strategic planning and to be very positive and to move forward in serving the residents of this County. I appreciate the opportunity to give you this update and I will certainly entertain any questions.

Mr. Haste: Have you met with the legislators yet and done a similar presentation, our Dauphin County delegation, anyhow?

Mr. Bowra: All of our senators and representatives have gotten an information packet. I have gone to all of the offices. I have actually been able to sit down with some and explain the situation to them. That is a very critical piece. Our state association is also very actively involved in that as well. What we are hearing, as much as we are expressing our concerns, certainly any support the Commissioners can give us is important. What we are being told is what even is more important is our constituents, our patrons. The more they are showing the impact that this would have on them the stronger and more solid the argument is. We can be looked upon sometimes as self serving to protect our own line of work. But when the public outcry and we have heard that it has been overwhelming, to me that is part of the democratic process and that is what makes us more optimistic.

Mr. Henry: The only thing I have to add is that I think you should be congratulated for bringing the same meticulous planning that you have brought to your capital planning and your ongoing operations. I have been continually impressed by the Dauphin County Library System. The degree of professionalism that is there is second to none. It is a tremendous community asset as a result of that. It is obvious that you have taken that same professionalism and transferred it to crisis management. To that end, anything that we can do in terms of helping to lobby our legislators or anything else, please feel free to call at any time. You are good at planning your strategy as it were so whatever we can do to assist you, I for one would be more than happy to do that. It is refreshing to see that you are on top of this as you are. I think this is going to change

as it goes through the process. But only because of the efforts that you are undertaking.

Mr. Bowra: Well consider this a request to help.

Mr. Petrucci: I just wanted to comment as well, I did send out a letter of support for the libraries and hoping to get some assistance to you. But the reason for the last question in regard to the senior centers was not in regard to getting service to the seniors as well as utilizing them in helping to education. If I was to take a clean slate and try to start over, instead of having senior centers and libraries I would have family centers in which seniors and other family members are intermingled together and doing things in a more cooperative coordinated kind of basis. I think we are sort of like breaking our families apart instead of pulling them together when we create senior centers out there and let them do their thing and then libraries over here and let them do their thing. Information Technology just seems like we are missing opportunities for synergism and for cooperation and for economy of scale and a wide variety of other things. Some where along the line we got to start to bring our little silos together and let them be one functioning unit instead of multiple ones. I hope someday we can get there.

Mr. Bowra: What I would suggest is once we let the dust settle, let's see what the next month or two brings and then what we can do is get back in touch with you. Our Outreach Coordinator and Head of Public Services could meet with you or representatives of the County to see how we could work more cooperatively on that end.

Mr. Petrucci: Thank you for all your work, Richard. You did a phenomenal job.

Mr. Haste: Steve Howe.

C. Steve Howe, Director, Tax Assessment/Tax Claim

1. Presentation regarding tax deferral.

Mr. Howe: We have been asked to present I guess today for the Commissioners information more of a review of a program that was adopted by the Commissioners back in 2001 to be effective for 2002. That program is the Property Tax Deferral Program. I have given you a packet that basically outlines the highlights of the program. I'm certainly not going to take a lot of your time to go over all of the details. What you have basically in your packet is number one, the Resolution that the Board of Commissioners of Dauphin County approved in 2001 which is Resolution No. 49. That created what we refer to here as the Real Property Tax Deferral Program which was authorized by Act 50 of the Commonwealth in 1998. Act 50, as you might recall is primarily the act that creates the ability for the school districts to defer or grant a homestead exclusion on the assessment in exchange for doing away with if you will, the Per Capita Occupation, what they refer to in the statute as nuisance taxes. One of the provisions of Act 50 also was the ability for political subdivisions to create a tax deferral.

As far as I know we Dauphin County are the only county in the Commonwealth that have actually approved a deferral program. A few other municipalities in Dauphin County have done likewise being five listed at the bottom of your sheet.

What the deferral basically does is allows property owners who have a significant change in real property tax to essentially defer that increase in tax over what the statute refers to as their base year. The best way for me to explain it is to basically give you an example. If for example in 2002 a property owner who qualifies financially for the program paid \$1,000 in real property tax to any particular political subdivision and in 2003 the real estate tax bill was \$1,200, \$200 or the difference between what the statute refers to as the base year tax and the current levy is eligible to be deferred. It is not an exemption. It is not an exoneration. It is simply a deferral and that deferral becomes a lien against the property until there is a requirement in the statute again that it be paid. The only two requirements in the statute that it be paid are number one, if they sell the property and number two, if they pass away and it goes to their heirs. Then the deferral is required to be paid. Otherwise any deferred tax remains on the books if you will for an indefinite period of time without interest, without bureau charges, or without any cost what so ever to the property owner. It does remain due and payable as a lien against the property.

The statute mandates the qualifications to enter into the program. The qualifications are stringent and yes, Dauphin County has adopted those because I don't think we have any choice. There is requirement for a title search on the property to determine the debt to value ratio of the property. There is a requirement that it can not exceed a certain percentage just like when you are mortgaging your house. You can not exceed 85% whatever the requirement is for the mortgage company. The same statutory requirement is placed here. The homeowner is required to have homeowners insurance. They are required to provide proof that they paid timely the preceding years non-deferred tax. Proof of income eligibility is tied to the Property Rent and Tax Rebate Program. And the final is a copy of the property deed indicating that they are in fact the owner.

If you go through the packet I have also copied a page out of the actual Act. It says Real Estate Tax Referral. This is the section of the act that actually provides for the deferral and gives the requirements. There is a letter that we use and that we refer to as a voucher. The voucher constitutes the difference between the tax levy and the base year or the amount that is eligible to be deferred. That voucher goes to the property owner as well as the tax collector and the taxing authority if they participate, advising them that the property owner is eligible and is not paying the full amount of tax that was originally levied. In your packet also you have a copy of the letter that we provide to the property owners telling that the deferral has been approved. As well as the packet that our office provides to the public when they make inquiry. Number one being a brochure, number two being the application itself and number three being the financial eligibility statement. These are all forms that have been developed by our office, myself primarily.

The title search we saw originally as quite a detraction from the program in order to determine what liens or judgments there are against the property. We were able to negotiate with one of the local title companies, A One Abstract, that they would provide for applicants for the program a title search for basically \$25. Any of us that would go

out and have to have a title search done on our property will pay upwards of \$100-\$150 for that title search. They have agreed for someone who wishes to participate in the program because of their limited income status and ability to qualify they will do the title search for a greatly reduced rate. That is the yellow attachment to the beginning of the application. If you have any other questions, those are the real highlights of the program. I would be happy to address those for you.

As an aside, for 2002 we had basically I believe 7 or 8 applications and we have two people in the program.

Mr. Petrucci: What ever happened to the other six?

Mr. Howe: They either for whatever reason chose not to participate or did not qualify income eligibility wise.

Mr. Petrucci: These low income applicants, is there someplace that they can go for assistance to filling out these forms and answering questions that might arise to them?

Mr. Howe: They can come to our office and we will certainly help anyone and we have done that many times with folks who had questions about the program.

Mr. Petrucci: When we first passed this Steve, I know you did an outreach to the other school districts and municipalities. I see that only five responded. One school district and four municipalities. Did you only do one outreach letter?

Mr. Howe: The Commissioners did a mailing to all the political subdivisions which would have been the municipalities as well as the school districts. We did a mailing from our office encouraging folks to participate in the program and in fact I went to several of the school districts and actually talked to the superintendent and the business manager about the program as well as other municipalities. There simply was not any interest in their participating. I think they see it as, my perception is that they see it as lowering their income and they are already on very tight budgets. In participating we are not looking at a tremendous amount of money that ends up being deferred anyway.

Mr. Petrucci: And the income level is \$15,000 a year. That is awfully low. How can anyone be living on \$15,000 a year. Does the State change that number each year?

Mr. Howe: The dollar amount of income eligibility is tied directly to the Property Tax Rent Rebate Program which is administered by the Department of Revenue. That has been \$15,000 for as long as I can recall. So it doesn't really change that I am aware of. If the State were to change that requirement, yes it would change the income eligibility limit for this program also. But to my knowledge that has not happened in many years. There is some exclusion in that \$15,000 for example and I don't have the exact details. It is relative to the type of income you have and whether it is Social Security, direct income, whether it is income from other rental properties or whether it is Railroad Retirement income is specifically limited in some ways as to what income applies. The net income can not exceed \$15,000 and that again there is a form provided for the folks

to complete and that is the income eligibility statement that gives all the details and what is eligible and what's not eligible. That form was basically designed patterned after the Property Rent Tax Rebate financial eligibility application.

Mr. Petrucci: I must say that there was an awful lot of effort put in to this and there was certainly a good goal behind it but I must say that I am very disappointed that the 10 school districts in which the bulk of local property tax is going to and would more likely be the one that would initiate someone, having to be kicked out of their home because they couldn't pay their tax bill. So to be able to defer a tax increase from the County is insignificant compared to being able to defer the increase from the school districts. We did a phenomenal effort here but I am not sure that we protected ourselves from the seniors or mothers with children being kicked out of their homes because of low income and their inability to pay their taxes. I'm still quite concerned. This is amounting to an effort but only fractionally applicable.

Mr. Howe: We are likewise concerned in our office although we deal primarily with assessments of properties and evaluations of properties. We, because of our name being tax assessment do of course get related to the actual tax bill. We are concerned about the affect the tax increases have had and will have in the future on low income and senior citizens however we are really constrained by the Pennsylvania Constitution that requires equity and equal treatment of everyone. This particular change in the statute allowed for the tax not to be exonerated. Because of the Pennsylvania Constitution they simply allowed the tax to be deferred. It takes some greater action to change the constitution to allow different classes of people to be treated differently. That's the only real solution.

Mr. Henry: Steve, you referenced Act 50. The only school district in the County that undertook tax reform under Act 50 was Central Dauphin. At the time of it's enactment property owners had to file for their homestead exemption. It is my recollection that it was only good for a certain period of time and then a re-filing had to occur. Do you recall what the period of years?

Mr. Howe: Yes, the original application for homestead which is different than tax deferral, the County approved was for a three year period of time.

Mr. Henry: Which we are at now aren't we?

Mr. Howe: Yes.

Mr. Henry: So in order for property owners to continue to qualify they need to re-file when? This Spring?

Mr. Howe: They need to file before March 1st of this year. So the filing deadline has passed.

Mr. Henry: That's wonderful. So people who filed initially will now lose their exemption?

Mr. Howe: If they did not re-file. Bear in mind, part of our application process is that as applications are to expire we have a mailing process that a new application with a letter goes out to the previously enrolled property owner that says that if you wish to continue the exemption or the homestead exclusion you need to complete this application and those went out some time before December 15th which was the beginning of the renewal period. So the property owners did get a new notice that said you must re-file.

Mr. Henry: I never got one.

Mr. Howe: They were mailed to everyone who filed.

Mr. Henry: I filed and I had been operating under it and I never got a letter.

Mr. Howe: Now if you filed possibly the second year...

Mr. Henry: No, I filed the very first year.

Mr. Howe: Well I can only tell you that our program is set that as applications expire folks get a letter of explanation as well as a new application. We have gotten thousands of those back.

Mr. Henry: Well something is not right because I can tell you that I filed the very first year and I never got a letter. My concern would be how many people would be in that boat who are going to see higher property taxes because of that. Now having said that I didn't note the property taxes going down all that much as a result of the exemption so maybe it won't make a big difference. I never got a letter and my concern would be that people are in fact notified because the next thing that is going to happen is people's property tax bills are going to go up and when they do, guess where they are going to come back to? You raised our taxes. Well no we didn't.

Mr. Howe: As you said it is strictly a school district issue at this point.

Mr. Henry: It is but tax payers, since we are the agency that does the assessment and such they typically don't discriminate between entities. I found that as a Township Supervisor. Whenever the school district would raise the tax millage rate we would get accosted in super markets and at church for raising taxes even though we didn't do it. People just look at their overall tax bill and said it went up and you're responsible.

Mr. Howe: We will certainly look into that. Programmatically the date that is in the system automatically kicks out a letter. We will look at why you didn't receive one. I can tell you that the program is in place and we received 25,000-35,000 re-applications for Central Dauphin.

Mr. Henry: As long as we are re-notifying folks. That was my main concern.

Mr. Petrucci: I would just like to let Steve know that Linda Thompson, Council woman from Harrisburg is working on trying to create a group, a trust fund, for helping people pay their taxes that are unable to. That was the reason for our inquiry is to see what we currently do to help people to not have the burden of potentially selling their home to pay their taxes.

Mr. Haste: Bob.

D. Robert Burns, Chief Clerk/Chief of Staff

1. Courthouse Renovation update.

Mr. Burns: Mr. Chairman, I have two items under the renovations report. First, there has been an ongoing problem with the heating and air conditioning at the Courthouse that became more of a problem yesterday with the warm weather. We are working on it. It is part of the renovations and the Board will be seeing some change orders in the near future to fix that problem. The cost of the change orders is covered by the contingency fund. But I will make sure that it gets brought to your attention before any work gets done so that you know what the cost is going to be.

Second, the renovations committee met last Friday. Commissioner Petrucci was present as was President Judge Kleinfelter. The President Judge has provided everybody with minutes of that meeting. Mr. Tully was present and between Bill and I, we will be available to discuss with the Commissioners the minutes of that meeting. We have corresponded by email briefly but the committee was in agreement with the action the Board took last week to try and consolidate efforts with Buchart/Horn and Whiting/Turner. I believe the Solicitor's office is working with both Whiting/Turning and Buchart/Horn on appropriate contracts. That's all I have to report, Commissioners.

Mr. Haste: Thank you. Anything for Bob?

ITEMS FOR DISCUSSION

Mr. Haste: Items for discussion. It is my understanding item A they need Board action today so that they can meet their time filing with the State. IS that correct, Bob?

A. Ratify a PCCD Continuation Subgrant #2001-VF-005-12173, Victims of Crime Act, for a period of 2003 thru 2004, in a grant amt. of \$228,770.00 administered by Victim Witness Agency. (*****NEEDS APPROVED 3/18/03**)

Mr. Burns: That is correct, Mr. Chairman. It is a Continuation Grant and there is no general fund money from the County being providing for that.

Mr. Haste: Is there a motion to approve the grant application?

Mr. Henry: So moved.

Mr. Haste: Second?

Mr. Petrucci: Second.

Mr. Haste: All those in favor signify by saying aye.

All: Aye.

Mr. Haste: Opposed? Motion carries. Item B will be an item for next week's meeting.

B. Domestic Violence PCCD Grant in the amt. of \$120,000 for a period of July 2003-June 2004 administered by the District Attorney's Office.

COMMISSIONERS' COMMENTS

Mr. Haste: Commissioners' comments. Any of the Commissioners have anything to add?

PUBLIC PARTICIPATION

Mr. Haste: Anything from the public?

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn?

Mr. Henry: So moved.

Mr. Haste: Second?

Mr. Petrucci: Second.

Mr. Haste: All those in favor signify by saying aye.

All: Aye.

Mr. Haste: We are adjourned.

Transcribed by: Shari Eagle
March 18, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff

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