



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**COMMISSIONERS' WORKSHOP MEETING**

**WEDNESDAY, APRIL 12, 2006**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Bob Dick, Treasurer; Chip Vance, Esq., Assistant Solicitor; Dan Eisenhauer, MH/MR Administrator; Ellie Myers, Deputy MR Administrator; Randy Baratucci, Purchasing Director; Mike Yohe, Budget & Finance Director; Tom Guenther, Information Technology Director; Noel Falk, Wildwood Nature Center Executive Administrator; Elke Moyer, Human Services; Leila McAdoo, Solicitor's Office; Jack Harlacker, Emergency Management Agency; Kay Sinner, Personnel; Kelly Wolf, Solid Waste Management; Gary Serhan, Deputy Controller; Diane McNaughton, Press Secretary; Sandy Moore, Human Services Director; Richie Martz, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Lena Martinez, Commissioners' Office; Gregory Schneider, Budget & Finance; Mike Pries, Safety & Security Director; and Julia E. Nace, Assistant Chief Clerk

**GUESTS PRESENT**

M. Nichelle Chivis; Davis Gash; Lisbeth Long; Jean Johnson; John Carter; Rose Guyer; Zeneria McMorris-Owens; Pickle Henery; Kerri Zeigler; Sue Sipos; Mark Mattern; David Shade; Steve Starnowsky; Barbara Moyer; Terri Frye; Elaine Barker; Linette Sun; Patrice Simpson; Mary Schwanger; Helen Elliott; Velma Prather; Karla Hodge

## **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 three sets of meeting minutes for next week.

### **PUBLIC PARTICIPATION**

Mr. Haste: We are at the time in the Meeting for public participation. Is there anyone from the audience that would like to address the Board?

Mr. Henery: Mr. Chairman, I would like to take this opportunity to thank the County Commissioners for the cost of living increase that they have given to our retired employees. All our retired employees think when they leave here they are forgotten. On April 1<sup>st</sup> when they received that, they said it couldn't have come at a better time. So on behalf of them, I just want to say to all three Commissioners, thank you.

Mr. Haste: Actually, I should say thank you to the Retirement Board and the pension fund. Marie and Bob had brought some concerns to our attention when we came on board with the way it was handled before. We've gotten very aggressive in the management of that plan and I believe it is somewhere in the neighborhood of \$43 million that fund has increased over the last year. That's really where the hats go off to.

### **DEPARTMENT DIRECTORS/GUESTS**

Mr. Haste: At this time, I'll call on my colleague, Nick DiFrancesco.

#### **A. Commissioners**

##### **1. Presentation of a Telecommunicators Week Proclamation.**

Mr. DiFrancesco: It is a great day already. I had the opportunity to celebrate the Boy Scouts first thing this morning. Then we had a nice press conference to highlight some

quality professionals that deal in the area of supporting children who have been impacted by child abuse.

This morning we have the opportunity to highlight another group of important individuals who work tirelessly every day, who are out to protect the personal life and property of the people in the county and often go unnoticed because they literally work in a very dark basement area of a building. People don't get to see the faces that go along with the voices that work out of our 911 center.

What I would like to do is start out by reading the proclamation and then make a couple remarks.

***Office of County Commissioner***  
**Dauphin County, Pennsylvania**

**Proclamation**

*We, the Dauphin County Board of Commissioners, take enormous pride and pleasure in recognizing the hard work and dedication of our Public Safety Telecommunicators;*

*Whereas, 45 full-time and four part-time dedicated Public Safety Telecommunicators serve the citizens of Dauphin County by responding to their most critical emergencies, providing telephonic life-saving medical instructions at all hours of the day and night, and managing dispatch operations for supporting fire, police, and medical units;*

*Whereas, the critical functions performed by professional Public Safety Telecommunicators have directly contributed to the protection of life and property in Dauphin County;*

*Whereas, professional Public Safety Telecommunicators strive to improve emergency response capabilities through leadership, technology-intensive training and other activities;*

*Whereas, we would like to take a moment to honor the many men and women who respond to emergency calls and render life-saving assistance to the citizens of Dauphin County;*

*Therefore, in grateful tribute to the life-saving work of the competent and compassionate voices at the other end of every 911 call, we join the 253,300 residents of Dauphin County in proclaiming the week of April 9-15, 2006 as "National Telecommunicators Week" in Dauphin County; and we honor, commend and thank our county telecommunicators and the vital contribution they make to the safety and well-being of our citizens.*

Mr. DiFrancesco: Ladies and gentlemen, this group of people is absolutely critical in any emergency response that takes place in Dauphin County. All too often, it is unfortunate that their faces are not seen. They don't do it for the recognition. They do it because it is a life passion. They do it because most of them are involved in emergency services in some other front as well. They care about their community and they give a great amount of time and effort in keeping up their training and making sure when that call comes in they can handle any situation. Commissioners, would you like to add anything?

Mr. Hartwick: Obviously, I just echo Nick's comments about the individuals who do the job everyday. They are the ones who make or break you. I said it this morning and I will always say it. In Dauphin County we know and from my experiences as Mayor of Steelton and with local law enforcement and my experience here at the County, that we have better suited telecommunicators who are more passionate about what they do and that shows by the results that we receive everyday in light of all of the communication issues and problems here in this County and highlighted by this Board. We have a communication system that in any given moment could be in jeopardy of trying to get the actual information out to direct law enforcement folks. Through that trouble and through that uncertainty you have worked to insure that local law enforcement and emergency services get to the victims and are arriving in record time to service the constituents of Dauphin County. That is a great tribute to what you do everyday and we certainly have great confidence in you.

Mr. Haste: I also echo what has just been said. It's strange I think it was yesterday or the day before, there was a national story on where a 911 call went wrong. It's strange how those kinds of situations get highlighted. It is rarely the lifesaving every day phone call that is completed and handled correctly that gets noticed. Today is the day to say, thank you for doing your job right and doing it right all the time.

Mr. DiFrancesco: With that I would like to ask Terri Zeigler and Jack Harlacker and any others in the room, if you are here, to come forward to receive the proclamation.

(Applause and pictures taken)

Mr. Harlacker: I'm Jack Harlacker, Manager of Communications, and on behalf of the staff that really does the work, this is a small representation of the group here. The rest are working, sleeping or doing other duties in the community. I thought it was important that they be here to accept the award. They do the job day in and day out. Thank you.

Mr. DiFrancesco: Thank you and we're happy to have you.

## **2. Presentation of Child Abuse Prevention Month Proclamation.**

Mr. Haste: At this time, I'll ask George to make some comments on this morning's presentation.

Mr. Hartwick: A short update. This morning we had a press conference to honor those individuals who are involved with children prevention and prosecution of sex abuse offenders here in Dauphin County. Unfortunately for us here in Dauphin County, the amount of people involved in that line of work are too big to have in the Commissioners' Chambers. We filled the County Courthouse Lobby with individuals who take up the charge of putting kids' lives in front of their own. We've had leaders who existed long before we got here even as a Board of Commissioners in trying to put Dauphin County in a lead role in child abuse prevention and child abuse prosecution. It is great to see that we've got so many committed folks in Dauphin County. We don't have turf wars as

it relates to the future of our kids, from the judges, from the Commissioners to Children & Youth to Juvenile Probation, to mental health, everybody is on the same page. It is not about their territory or their turf. It is about protecting kids. It is about making sure the best interest of the kids is served here in Dauphin County. When you see some of the statistics about child abuse and neglect, it is alarming. Commissioner DiFrancesco made the point today, is it about war crimes that are occurring or is it about exposing the crimes that have been occurring for years. I think we have come to the conclusion that because we are able to talk about these crimes and expose the crimes that are occurring, more of them are coming to light. A lot of kids went through many abusive situations that have affected them for the rest of their lives. They might have felt like they were the problem. They were the ones that were wrong and they can't talk because it is the family's day-to-day secret. I think we have sent a clear message and as Commissioner Haste said this morning, that we wanted to talk to people who are offending children in this county, particularly parents, aunts and uncles saying if you doubt it look around the room. One of these people will be out to see you. I guarantee you one thing; we're going to work every day to bring those individuals to prosecution. With that, we're very proud to honor those individuals today that are involved in child abuse prevention. As I stated we've got a room full of people who are committed and motivated than ever in order to protect our kids here in Dauphin County.

Following is the proclamation presented at the press conference:

*Office of County Commissioner*  
**Dauphin County, Pennsylvania**

**Proclamation**

*We, the Dauphin County Board of Commissioners, hope to eradicate the horrors of child abuse and boost public awareness of this national tragedy by declaring April 2006 as Child Abuse Prevention Month in Dauphin County;*

*Whereas, it is estimated that 15 out of every 100 children in the United States are victims of some form of child abuse, and an estimated 1,400 children die each year as a result of these tragic injuries;*

*Whereas, every year in the United States, more than 125,000 children suffer injuries intentionally inflicted by their caretaker;*

*Whereas, child abuse is the Number One cause of death in children under the age of four and the incidence of child abuse has skyrocketed in recent years, jumping from 600,000 cases of reported child abuse and neglect in 1974 to 3.4 million reported cases in 1994;*

*Whereas, child abuse and neglect can be reduced by making sure each family has the support they need to raise their children in a healthy and happy environment;*

*Whereas, county, state and national leaders must join together with the entire spectrum of community groups, schools, churches, businesses and individuals to give suffering children a voice and bring an end to their physical and emotional anguish;*

*Therefore, it is with a heavy heart and sincere hopes for relief that we proclaim April 2006 as Child Abuse Prevention Month in Dauphin County; and we urge all organizations and individuals, both public and private, to join together to combat this heart-rending social crisis.*

## **B. Lou Verdelli, Public Financial Management**

### **1. Financing for the EMA Radio Project.**

Mr. Haste: Mr. Verdelli will you come forward?

Mr. Yohe: Commissioners, if I can give you a few comments here. We've been exploring various proposals to fund the financing of the EMA Radio Project which is already underway. After many meetings and some consultations and reviewing a lot of different options, we have finally come up with what we feel is the optimal one and Lou is here to present that. He is also going to talk a little bit about information of potentially terminating some SWAP options that we have. He's going to speak a little bit about that also after he talks about the financing.

Mr. Verdelli: I think before we go through the handout, there are a couple of main themes that we're trying to accomplish. If you think about those and understand those, I think it will make more sense in terms of the recommendation that we have for you.

I'll review the things that we want to do on the project for the financing, first is to eliminate your interest rate risk. We know that long term rates have been relatively attractive over the last couple of years. They continue to be relatively attractive despite the federal reserve increase in short term rates. So if we can put together a plan that basically eliminates all of your interest rate risk on this financing which that should be our first guiding idea. The next is to take advantage of this interest rate environment that we suddenly find ourselves in which we haven't seen for many, many years which is an environment where short term rates have really been moved higher by the feds but long term borrowing rates have stayed relatively low. Recently a couple of weeks ago we still had an inverted yield curve where long term rates were actually lower than short term rates. The yield curve has flattened in the last week or so. That allows you a situation unlike you've had in the last couple of projects where you could borrow money at 4.5% but investment rates were down at 1 & 2%. Suddenly, we're in an environment where you can invest bond proceeds at close to 5%. Obviously, every dollar of extra interest earnings we can generate, that is a dollar less that we need to borrow and that you need to pay interest on over a long timeframe. The other part of the plan is maximizing interest earnings in this environment that we're in and maximizing them in a way that you can keep all of them. Part of that goes along, there is a federal tax law that basically says, if you were issuing less than \$5 million in a calendar year, IRS would refer to you as a small issuer. If you could borrow money at 4% and invest it at 5%, you could keep that 1%. Obviously, you need to borrow more than \$5 million for your project. So for people like you, they have one other exception and that is if you can spend down all of those funds within twenty-four months and meet several benchmarks along the way, if you borrowed money at 4% and invest it at 5%, you can

keep that 1%. So that is where, in light of this environment we kind of went to a different strategy of looking at if we broke the borrowing into two pieces versus borrowing all at once. There are strategies that you can maximize your interest earnings and keep every dollar that's available out there to you.

You'll see the recommendation calls for two separate financings. The way we size those financings was looking at the draw schedule, planning maybe for a worse case scenario and when those draws would happen, dialing in the first borrowing to insure that we should be able to get that amount of money spent within twenty-four months. Then you do your second borrowing. Again you should be able to spend it all within twenty-four months and basically every dollar of interest earnings that you make you're able to keep rather than having to rebate that back to the federal government. So that is the other big part of the plan.

The third, obviously, also a very important one was to make sure that we stayed within our budget for the project. We have a plan that I think will do that very efficiently and also manage the County's overall debt in a very responsible manner in that we are not doing an extensive restructuring or anything like that or extending the debt. In fact the financing, the way we have it structured as wrapping around your existing debt actually gets a little bit shorter than traditional twenty year level debt. Obviously, those types of things reduce interest expense. That's kind of the three main themes. You'll see how that comes together on page one. The second bullet point basically just mentions what I described at the proposed plan and involves two separate financings in order to meet the two year spend down requirement and in doing so avoid arbitrage rebate payments. Item #1, the first financing we're recommending is a traditional fixed rate bond issue. We will, with your authorization today, get the financing team working on that for projected settlement in June of this year. Obviously, you are already making payments on this project. They have been funded by the County so we will be able to reimburse the County once this financing comes in place. Under #1 you can see that the first financing is recommended to be in the amount of \$17 million. So that is the amount that we would be able to spend down over the next twenty-four months on the project and get that money invested right away and earning some significant amounts of interest for you.

Item #2, the second financing gets a little more technical and is a forward-starting synthetic fixed rate financing. The time line would be that by October of 2007 you should have exhausted the first \$17 million and we would go out for the second borrowing that is just under \$17 million. Right now it is projected at \$16.7 million and do that financing at that point in time. All the fancy language, synthetic first rate, all that is really describing that we would actually lock the interest rate on that financing in now as opposed to waiting until October when we actually issue the bonds. You've certainly heard us talk about interest rate swaps between the financings that you've done and the financings that have been involved with the Harrisburg Authority Project, all the exact same concept, locking in a rate today for future financing. So that is basically what would happen on the second piece.

The third point on page one, is that we structured both financings in what we refer to as a wrap around structure. Instead of 20 year level payments, we're wrapping these payments around the County's existing debt which currently is scheduled to be relatively level, steps down in a few years and then stays pretty level again. So all we are really doing is taking advantage of that step down, filling that in so after these two financings are in place, the County's overall debt service is relatively level. That also helps reduce the initial debt service impact in terms of budget constraints. If you had 20 year level payments on both financings stacked up your initial payments would be much higher than what we can generate with the wrap around structure.

That's kind of the big picture. On page 2, I'll just touch on this and then we'll just look at a couple of the numbers. I won't go through this whole handout.

Mr. DiFrancesco: Regarding the time table, is that pretty much carved in stone or would there be flexibility for instance that we would have to float it in June rather than October of 2007, could we move that?

Mr. Verdelli: There is great flexibility in that second financing that you could do it at any point in time. When we enter into a contract on that we're just saying that we estimate that we'll do it in October of 2007. The only item that would have a firm starting date is when we enter into the Swap Contract today to lock in that rate. We will have to put in an effective date. What we typically do there is, we get conservative and assume if the project was slower and you didn't have to do the borrowing as soon as we're projecting here, that contract doesn't start until maybe say January of 2008. So that is when your rate lock would start. So under this scenario, if you actually issued the bonds in October of 2007, those would be variable rate bonds that you issue, you would have a couple of months where they would not be covered by a fixed rate. So wherever the rate would be moving around in October of 2007, you would have to pay that rate. We've talked about variable rates averaging over the last ten years 3.5%. So we are not too afraid of three months of not being covered by the swap. So we would probably set the swap back if you had to do the financing earlier than June of 2007. It would just be a longer period of time where you would have interest rate risk, but the main portion would still be covered by the fixed rate swap.

Mr. Haste: The other key is, 24 months whenever we do that borrowing.

Mr. DiFrancesco: Both.

Mr. Verdelli: Yes, both of them. We would want to make sure so if something.....

Mr. DiFrancesco: But the second 24 months doesn't impact the first, right?

Mr. Verdelli: Then you get a new time clock going from the second.

Mr. Haste: This is so we can take advantage of the arbitrage earnings.



Mr. Verdelli: Right.

Mr. Haste: This is one of those times that we can do that.

Mr. Verdelli: Right. Who knows, maybe by October of 2007, perhaps the feds may cut interest rates because they've raised rates to much here in the last fifteen rate hikes. Short term rates are back down and maybe there is no arbitrage play, low rates and maybe we'll come to you in June of 2007 and say look at rates, rates are back at 4%, we should just go do this borrowing.

Mr. Haste: Right.

Mr. Hartwick: The variable for us though is that we need to make sure that Motorola and the consultants spend down that money that they are required to in 24 months. So that needs to be crystal clear in any contract language and an understanding that if they don't meet that obligation that they are going to be responsible for whatever damages come to the County as a result of them not spending that money. We need to have some enforceable contract language there.

Mr. Verdelli: On page 2, there are a couple of things that I want to highlight on the plan. Under the financing #1 – traditional fixed bond issue, basically there the \$17 million you're locking in long term rates. As I mentioned, they are at a near historical low even though we've had rates move a little bit higher the last couple of weeks. This still is a great opportunity probably to lock this money in right now at about 4.5%. So that is our target. In the second point, just to reiterate that, we were really moving around this principal amount on this first one to insure that we will be able to spend it. One of the plans we had is, that the first borrowing was \$20 million and we had gone through that. Mike looked at it and we thought well, if something happened to load things a little bit, let's be more conservative and back this first borrowing down to the \$17 million to make sure that we meet those spend down requirements.

The third point, under Financing #1, I just wanted to point out, is basically the idea that we can add onto this financing at any point in time and we would monitor it and that is the ability to lower the interest rate on it by another 30 basis points somewhere down the road by putting one of those basis swaps that we did about six months ago onto this transaction. From time to time there is more value into entering those. The value happens when you actually lock in that contract and so it is something that we would monitor at some point in time, maybe we could enter into a basis swap and further reduce that 4.5% interest rate taking it down to 4.2%. So that is something that we won't need to do immediately when we are getting this fixed rate bond issue done. But it is something that was definitely part of the plan, part of the strategy that could help with further reducing the cost without introducing significant risk to the County.

Second piece of the financing, just to explain in a little bit more detail, since it is referred to as forward starting synthetic fix, the forward starting part is easy to understand and then locking in a rate today for something that is not going to start for another year and

a half. So that is the forward starting part. We do that with an interest rate swap and we take advantage of today's low rate. The second part is the synthetic fixed rate so instead of a traditional fixed rate where you are issuing fixed rate bonds, the way you accomplish this option, is you are issuing variable rate bonds in 2007. This synthetic fixed part is you issue those variable rate bonds, layer a fixed interest rate swap on top of that and at the end of the day you have true fixed rates where you don't have any interest rate risk. That is a little different way but it is the most, by far, efficient way to lock in a rate in the future. We could go to an underwriter and say give me a bond contract, traditional old bonds to lock in a rate a year and a half from now and they would charge you about 50 basis points on top of today's rates, very inefficient. You can use the interest rates swap market to do the same thing and get charged about 5 basis points to do that. It is much more efficient to use this strategy. It gets a little more complicated because you have to issue variable rate bonds but it is something that lots of people do and is the best way to eliminate your interest rate risk.

The next couple pages just get into some more detail but I thought the one page that you would be interested in is page 5 in that these total payments and projected payments would look like when both financings are in place. That is the far right column #11 in the yellow highlighting. There you can see that if the first financing is in place by the middle of this year, we'll have over \$300,000 in debt service. Then in 2007, that will be about \$750,000 in payments and then in 2008 once the second financing is put in place your payments jump up to about \$1.4 million. One of the other things that I failed to mention, another attractive part of the strategy it is not as big of a driver of the strategy, but the nice part of breaking this into two is you don't have to pay interest expense on the second piece of the money until you actually have it. So that allows column 11, for you to have that nice phase in of the debt service that comes into your budget but not having all the debt borrowed all at once. You will run that \$1.4 million rate for several years and then when it actually moves up to that \$2.9 million the County has other debt service that's actually going down at that point in time. I don't have that page but that is how we structured it when you look at the payments in columns 2 & 6. That is how you will pay principal down. The way we structured that was working and looking at the County's other debt service. So when these payments go up, the County's other debt service is going down and you end up with a very level format. But the bottom line is basically the \$1.4 million over the next couple of years or several years, that's kind of what the max rate will be for the cost of the financing for this project.

The last page is just to illustrate how we came up with this breakdown of the \$17.6 million. It is all driven by columns 4 & 5 which are the estimated payments on the project. Your project draws are in column 4. Column 5 has some of the ongoing costs, the consulting fees, etc. That is the draw schedule. Over in column 3, is where we are estimating interest earnings. There at the bottom of column 3, you can see that there is \$704,000 of interest earnings predicted. At the top of column 3, we were being conservative and using 4% as our interest earnings assumption. Hopefully, we can earn closer to 5% and you can see that number at the bottom, that \$704,000 would quickly go above \$1 million. So it is that million dollars that we want you to be able to

keep. That is one of the drivers to the whole structure. That's the plan on this piece. Are there any questions?

Mr. DiFrancesco: Mike, now that we have some actual numbers, how does that fit into your budget projections the way you have been building this project into the County financing?

Mr. Yohe: Very nicely. It is considerably lower than what my projections have been.

Mr. DiFrancesco: They're safe.

Mr. Yohe: Yes, very safe.

Mr. Hartwick: First of all, I think the strategy is great. I believe in the concept and you guys should be commended in putting together and maximizing the opportunities that exist through financing here. I think it is a great plan.

I have two concerns. Excuse me for being a little bit cynical about consultants and their being able to deliver at times. Is there a detailed project schedule that defines the scope of work with borrowing? I mean are we going to have a definitive list of the work that should be accomplished in the first borrowing and then a definitive list of what's going to be accomplished with the second borrowing? The reason I ask is we can see something happening where they spend down the money but it doesn't include all the things they thought they were going to accomplish with the first amount of money and then they are going to come back with a second borrowing and attach a significant bigger dollar figure to the second borrowing in order to complete the project. I would like to know do we have a scope of work for each one of the borrowings that is specific that defines what work is suppose to be accomplished based upon the amount of money that we're actually borrowing for that first piece? And then as we go to the second piece, what the scope of the work is and what is supposed to be accomplished with the second piece of the financing, because often that second borrowing gives them the opportunity to say there are a few things we didn't get in here, a few pieces of the project that we now have to throw in, let's just tack it onto the second piece. I just want to know what the schedule is and if we've gotten detailed enough to understand what the scope is in each of these separate borrowings?

Mr. Haste: That's why my intent when we authorize this today, we authorize these amounts so that those amounts are locked in. So if they want to come back with something else we'll need to take separate action to do that. This plan locks in these amounts for this plan today and anything above that would have to come back to us.

Mr. Hartwick: I think that is a perfect way for us to handle it but I'd still like to see the work schedule because of some of the problems that we've seen with Courthouse renovations. There has always been an issue with the work schedules because if we define what they are supposed to accomplish in each one of those borrowings, if they are not able to accomplish them then they need to be accountable for whatever delay

damages and they need to provide justification of why they've exceeded their expenditures. I understand what Jeff is saying we're not going to borrow any more money once we set the rates but it would be nice to see that detailed work schedule of what is going to be accomplished with both borrowings. So if we have a consultant which we do in this case, a part of their role should be monitoring that contract to insure that those things are completed on the scheduled completion dates as the project moves forward and not to exceed the amount that has been authorized by the Board.

Mr. Verdelli: There is a schedule that Mike has from your EMA people that allowed us to put this last page together that calls for the monthly draws. It was pretty detailed. It was about four pages. Maybe Mike can forward that to the Commissioners. Obviously, yours is well taken, that is the schedule but somebody needs to make sure that you stick to that schedule.

There is one ability to do that but sometimes you are real close. The twenty-four months is the big picture and to meet it you actually have benchmarks every six months that you have to have 10% of the money spent after six months, 45% of it spent after twelve months and if you miss just one of those benchmarks, you're into the positive arbitrage situation.

Mr. Hartwick: Therefore, I would like to find out is the County going to have somebody in a position to.....are we going to use our current consultants to monitor this contract with the construction phase or are we going to engage somebody to work on behalf of the County in order to make that happen? Is that a part of that consultant contract?

Mr. Haste: It is part of Mike Yohe's job. We already have not a consultant but an employee.

Mr. Saylor: We also have Steve Shaver. The one thing that we did discuss with Steve Shaver is that there are benchmarks that under the contract Motorola is suppose to meet before they get a payment. I talked to Steve about every time that we've come up against one of those benchmarks that he would come forward with Motorola, present to you guys where we are, if we are going to hit this benchmark before we authorize the payment. Certainly, I think if they use those benchmarks to make this borrowing schedule, there is probably some jive here but we should double check that to make sure. There are going to be periodic presentations with Steve Shaver so that you guys can see where we are with the project and that we certainly are staying on track with the borrowings.

Mr. Hartwick: The concerns with any construction are there are always issues with delays. There are always issues with rising costs. There are always issues with transportation costs with the price of fuel. So what I'm saying the concern is if they are not able to meet those benchmarks, I don't want them, because of other issues, spending down that money to try to meet some deadline and not accomplish what they need to do in the project. This needs to be a well thought out project based upon the financing and I need to be assured that is an extremely well thought out plan and they

are going to be able to deliver what they say they are going to do on time. The only way that I can do that is to see a detailed work schedule and the time commitments in order to accomplish those tasks. I would like to see that provided.

Mr. Yohe: I will see that you get one. We're working off of one that I think they put together last November/December. Then we did contact them a couple of weeks ago and I asked whether there were any changes to this before we go forward and they assured me that this is still on track. It is very well laid out and very detailed. Yes, I will be looking at that and running reports every month making sure that we're meeting that schedule.

Mr. Hartwick: Could you and I just meet today to go over the work schedule so I have a specific work schedule and keep track of where we are at?

Mr. Yohe: Yes.

Mr. Verdelli: Just so you know the timing on this transaction would be, we still have about a months worth of work to get your credit rating and get all the legal documents finished. So here within the next month, that will be something else that we want to nail down. Again, we are reviewing that schedule and making sure it fits into this timing plan. So we probably won't be back to you with live interest rates to lock in for about a month until we have your underwriting team on board and all the legal documents are ready to go. We'll be back in, in about a month and then a month after that. It always takes about a month to get everything approved at DCED. So your settlement then would be at some point in June that you would have money to continue in project and reimburse the County for some of the payments that you've already made.

Mr. Haste: Okay.

Mr. Verdelli: The other item that Mike wanted me to touch on briefly is the fact that several years ago the County had entered into three transactions where there was an option that sold where by a bank could switch you into paying a variable rate on financing. We've been tracking that and showing you some options in terms of being able to basically buy those options back from the bank, lock in basically the benefit or savings that you would have cash to put in your pocket as a result of interest rates changing. So we've monitored that. One of the things that Mike and I have talked about is the fact that this new plan potentially involves you entering into some additional swap transactions that maybe it would be nice that if you could lock in benefits from those transactions a couple of years ago and walk away from them and not have a couple of other swaps that may be triggered at some point in the future. We don't know when and obviously it depends on interest rates and where they go. If we were to terminate those transactions and we're entering into some other swap transactions with this proposed financing you wouldn't have as many swaps outstanding in terms of administrative things to keep track of in terms of interest rate risks since they would be putting you into variable rate payments. I know that we've kind of circulated the idea. What I thought would make some sense is that we could just have a discussion or Mike

could think about a benefit, a target, that you could lock in, in terms of the total amount of savings that you would want to recognize because those transactions can be completed very quickly, basically in five minutes, on a phone call and cancel them. We would be able if there was a move in the market where suddenly we were hitting your target that we're locking in \$750,000 of savings, we would pull the trigger and Mike would be on the line and we could take care of that. That is probably something to think about and something that we would want to monitor. With interest rates rising here within the last two weeks, we are probably slightly below the number that we've been circulating to you previously in terms that you would be able to lock-in. If you want to stick to that number or something less, we don't have to set it now, but just something if you thought that was a good idea and a good plan, we could at least be prepared with Mike to take care of that at some point in the future.

Mr. Haste: Mike and I spoke and I think that is a good idea for us to lock in those savings now if we can do that. I know it went up about \$100,000 from where we thought we were. I think that is something that we should do. Maybe I wouldn't mind if we authorize Mike to pull the trigger when he thought it appropriate to realize those savings. Every little bit helps.

Mr. Hartwick: More responsibility on Mike but I agree we shouldn't wait.

Mr. Haste: Do you want us to take action on this today or next week?

Mr. Verdelli: It doesn't matter. Obviously, if your giving us the nod that we all ought to get up to speed here and get the lawyers working on all the documents that need to be done and get your credit rating going, etc. You can eventually do that next week and we'll start work this afternoon.

Mr. Haste: And that will allow Mike to get the information to George. I think we're moving ahead with the plan.

Mr. Verdelli: Okay, sounds good.

Mr. Haste: I would also put on for next week the authorization for Mike Yohe to pull the trigger on the others.

Tim would you like to come forward?

## **C. Timothy Cloos, Maximus**

### **1. County's Indirect Cost Plan**

Mr. Cloos: My name is Tim Cloos and I'm a senior manager with Maximus. I'm based here in Pennsylvania. I'll give you a brief synopsis of Maximus, some of the major services that we provide to local governments in Pennsylvania. Also I gave you an insert that has the summary section of the cost allocation plan.

Mr. Yohe: There was a brief discussion I think a couple of weeks ago when we were talking about the nursing home and what an impact maybe a potential sale, if we went down that road, would have on the indirect cost because they are a significant source of revenue to the general fund. We have Tim here to answer any questions and give you a brief overview of how the indirect cost plan works and if we ever go down that road what does that mean to Dauphin County. He's been preparing the plan for probably 15-20 years.

Mr. Cloos: Over 20 years, our firm has had a successful relationship with Dauphin County.

Mr. Hartwick: Tim before we start, may I just say one thing, the smartest people that I know speak in the simplest terms and I know this is probably an issue that we've all been trying to hear and understand the details on for quite some time. So if you could break it down in as plain of language as you can, it would be great for me to be able to gain a better understanding.

Mr. Cloos: I feel honored that you said that because I think the last presentation was kind of over my head.

Mr. Hartwick: EMA is always financing.

Mr. Cloos: I understand and I will try to simplify the concept. I don't think it is overly technical but yes it is a process that not everyone is familiar with on a day-to-day basis. I want to start by kind of rehashing what Mike said.

Chad Saylor had contacted me recently and asked that I speak today and that it would be a helpful session to everyone here in today's workshop meeting. Like Mike said I'll talk about the cost allocation process and what it means to Dauphin County and then we can get specific if you would like. I have all my records here if we go to that level. As Mike mentioned, we've had a great relationship with Dauphin County for over 20 years. I've had the privilege of working directly with you as a client for over 17 years. I want to thank the Board as well as the members of the audit committee that recently recommended to you to continue the relationship for two more years. I want to say thank you for that.

The way I want to begin is there are four different groups of clients and there is always a different approach. Where do you start? Do you start with the regulations or what is a cost plan? I kind of vary that procedure from session to session. The way I'm going to start this is, the purpose of a cost allocation plan is every state and local government is entitled to receive reimbursements for their indirect costs as they relate to federal programs. Not all federal programs have provisions in their regulations that allow for indirect costs to be reimbursed. So when you think cost plan you can't think every federal grant that the county receives via the state, the state is your cognizant agency as the pass through from the federal government, indirect cost plans don't apply to

every federal and state program. Those programs that do receive federal funding such as Children & Youth Services, Domestic Relations, Aging, Mental Health, etc. allow for indirect costs. What is done is via the cost allocation plan is they take these indirect costs that are identified and then they in turn make claims to, in most cases, the Department of Public Welfare. It is that state agency that then reimburses the County revenue which then goes into the general fund for any purpose. It is not revenue that has to be spent in the program that made the claim, that is another key factor here. So it is a reduction to the operating costs for the general fund via your federal and state funded programs. So that is kind of the purpose. If you don't have a cost plan done based on all these federal guidelines and regulations, there are no reimbursements, zero. This document is audited annually by the Auditor General's Office, on behalf of your nursing home. It is also looked at by various agencies within DPW, Child Support Enforcement, Children & Youth Services, Mental Health, as well as your outside auditors. They audit the document as well. So it is an annual project that has to be done and updated in order to continue to receive the reimbursements for these indirect costs.

When we talk about indirect costs, these are basically overhead dollars that are borne by the general fund for various services that centralized and provided to multiple end users throughout the County. I think a good example of a central service would be Information Technology. Those services are centralized and for instance technical services, operations, programming, microfilming, etc. the cost plan is the vehicle where we come up with a reasonable basis or allocation unit to then spread those costs that are again centralized in Information Technology to all the users throughout the County. It is those users that have ability to get reimbursed for those Information Technology costs. They then make those claims and the money comes into the general fund as an indirect cost. You have that as a separate line item in your budget for revenue indirect costs?

Mr. Yohe: Yes.

Mr. Cloos: That is easily identifiable. What would you say the revenue is on an average, \$1.5 to \$2 million?

Mr. Yohe: That would be \$2 million.

Mr. Cloos: Would you want to comment on what kind of revenues the County has been receiving over the years?

Mr. Yohe: Last year it was pushing \$3 million. That is from outside the general fund. We had a little change in County practice last year.

Mr. Hartwick: Could you break down out of those \$3 million how much comes from each department?



Mr. Cloos: We could look at our summary. What you are looking at basically is obviously the cover page, it is the most recent cost allocation plan which was based on fiscal year ended 2004. The 2005 cost plan will be prepared this summer in conjunction with your audit. We have to prepare the plan after the close of a fiscal period and then the audit takes place and then we come in and do the analysis. It is those numbers that you see that are actually in place now. There is a lag time meaning we use a prior period to make claims in a future period. That is the shortest time line you can have.

Mr. Yohe: I have a couple here. Children & Youth about \$340,000, Aging about \$168,000, MH/MR about \$138,000, Spring Creek was about \$1.1 million, Weatherization is about \$30,000.

Mr. Cloos: In schedule A, there is a summary by department. If you look at the last line proposed cost, those are the numbers Mike is referring to.

Mr. Hartwick: I don't see Spring Creek.

Mr. Cloos: Look at summary page A7 in the bottom right-hand corner, you'll see the departments on the top. You see we identify all departments and agencies, not just those that can seek reimbursement. This document is a wonderful management tool to give an overall perspective of how the general funds centralized services support other users of the County that basically doesn't see these costs in their budgets. In essence, they get these services for free because they are centralized.

Again, Chad wanted me to speak here and be available to answer any questions if in fact any specific program or department were not to be part of the County, this has happened before going back probably three years, Drug & Alcohol had been a County run program where you had County employees and benefits, etc. That's not uncommon for some programs not to be part of the County and impact the cost plan as a whole.

Does anybody have any specific questions to the process?

Mr. Hartwick: The only question I have relates specifically to one department, Spring Creek. If Spring Creek was not able to have that indirect cost allocation, #1 have we done a study of how that would be spread across or how that would be....what amount of money that is currently reimbursed through the indirect cost? Would we be able to save because of the reduction of employees and also would we also have to assume because those indirect costs take care of certain other aspects of our operation? I guess there would be a savings and a certain amount that would also come from the general fund because the savings would incur because you wouldn't need those many services being able to reduce staff, etc. There is also going to be an increase expense to the general fund because there no longer is any way to reimburse those indirect costs through the Spring Creek reimbursement system.

Mr. Cloos: That was well put, actually. There could be some savings where and I can't comment on this not having done any management analysis of any of your operations,

efficiencies and staffing, I'm really not in a position to comment on what departments you would save money. But, yes there would be some contractions with some services that are specific to the home that would no longer be needed that maybe through staff reductions, yes there would be a reduction in general fund costs. The other costs where you wouldn't see contraction like maybe Information Technology or payroll within Personnel those costs that were going to Spring Creek would be redistributed to all the other departments. That basically is what would happen.

Mr. Hartwick: Maybe we need to get an analysis as to what that would be.

Mr. Haste: Probably the most conservative way is to take that number, figure out these percentages and figure them as though that department wasn't there.

Mr. Hartwick: So basically you are saying that, that process would be directed to the general fund?

Mr. Haste: No, it would be directed.....what you would do is you would take the 1.14% distribute that among every other department that is there on that same percentage basis that they are now.

Mr. DiFrancesco: For instance, like property insurance would, I'm assuming a dollar for dollar reduction because you no longer need to insure it.

Mr. Cloos: That's a great point. These costs again when it is an indirect cost obviously hasn't been a direct cost to any department though there are some costs in the indirect cost plan that could have been charged direct, property insurance is one of them. That is currently in this plan. So, yes, that cost would come right out of the pool. You would pay less of a premium based on your insured values. That is a great example. It is the same with liability insurance as well.

Mr. DiFrancesco: Something like security would be greatly reduced but there would still be some management costs that would probably remain in that line item but as far as the amount of employees.....

Mr. Cloos: Again, not knowing the organizational scenarios, but yes, those are cost related to security at the home and those security staff as a part of other buildings; it would be spread to the users of that building. What I can do, I can talk to Mike about this and I've done this in other counties that I worked with and talked about not having certain programs. What I've done, I basically rerun the plan and just excluded the program that we're talking about because there are a lot of statistics in this plan. The Schedule E that you have is a list of the centralized services on the left hand side. It has a list of the centralized services and what you see is the activities, the cost pools, of these services and then the units that we use to measure that. So what I would do, you can see there is a lot of them. I would go in and basically delete again the program that we're talking about and then rerun the numbers. That is more efficient than having someone in your staff sit down and we could crank this out.

Mr. Hartwick: So you're offering to do this for us?

Mr. Cloos: Yes.

Mr. Hartwick: At no additional cost to the County?

Mr. Cloos: Yes.

Mr. Hartwick: Thank you and we'll take you up on that.

Mr. Cloos: We obviously have programs of software. It is not a problem.

Mr. Hartwick: Thank you, it would be good to see the actual number.

Mr. Cloos: I've done that. It is an internal document. It is nothing that is submitted to the state or anyone. Again, it is just a good management tool. That is your best scenario to see strictly reshuffling the deck, redistributing the cost of all users. It would have no effect on the consolidation, streamlining, reduction of services-that would not be presented. I would not make any of those assumptions.

Mr. Hartwick: Tim, you have done a great job of keeping this in simple terms, thanks.

Mr. Cloos: Hopefully, everyone is still awake. I'm available as well as Mike. We have a good relationship. Throughout the year, questions come up for indirect cost, maybe somebody gets a grant. They have a provision that allows for indirect costs. We have an ongoing dialect with different cost issues as well as the Controller's Office. My card is in your handout. I look forward to working with the Board in the future. I'll follow-up with Mike on what I just mentioned about the numbers.

## **D. Noel Falk, Executive Administrator, Wildwood Lake Sanctuary**

### **1. Wildwood Update**

Mr. Falk: About a year ago Jeff asked me if I would take over leadership at the Wildwood Lake Sanctuary, and although I can't speak of the savings that we just heard in the other two programs, one of the mandates was to try to increase revenues at Wildwood.

The first part of the year was to learn the programs going on and get to know the personnel better. Jane Webster, Sandy Lockerman, Chris Rebert, and Sandy Nevius are excellent personnel. I shared with them part of my mandate, which is what are we doing in programming and what can we do to increase revenues at Wildwood Lake Sanctuary which really is essential? So we've looked at the programming, they are excellent employees, we re-evaluated some programs and we looked at who we are serving and we are finding that we are serving a slightly different group than before

including a lot of homeschoolers. In reviewing the programs and what is being done, we've done a number of things a little different. First of all, we're pulling together a power point presentation to take to school districts to show what we at Wildwood Lake Sanctuary can do for their students. We think it is very important for the school districts to know that we are there and that we can help them. Our number one target first of all is the Harrisburg School department. We feel that we could do more for them and we want to let them know. Actually there are some grants that we can help write to bring students out there. We've also offered more lecture series and we're very pleased with the.....

Mr. Hartwick: Don't forget about Steelton.

Mr. Falk: We are going to let them know that we have this and can come out to talk with them. George, I won't forget.

We have a winter lecture series which we put together just for the public and this year we're very pleased that for each presentation we've had between 40-80 people come out to Wildwood and take advantage of the programs that we offered.

One of the other things that I did right away was, because of the incident that happened last year, was to look at security. What we did was to upgrade the phone system there. We've also restricted parking along Route 322 for a lot of truckers that used to stop there. There are a lot that are concerned about the availability of the park to people that shouldn't be in there.

Again, getting back to the finances, I would like to report that as of today we are about \$3,000 ahead of last year already. What we've done to get an increase in revenues, is we've increased the fee per student from \$2.00 to \$5.00 per student. Now what this has allowed us to do, you might say is to operate with fewer students coming in but making more money. Although, we are finding for Spring and Summer we're having the same numbers coming in but the number of dollars coming in would be greatly increased. Also, something that we didn't do in the past was have a little rental fee. We have a classroom and now for anybody wanting to use it, there is a classroom rental fee of \$100 which is starting to increase. The usage is the same but we're getting something out it.

Also, we've been writing a number of grants and we've received several thousand dollars in grants to help with what we are doing already this year. Although the revenues aren't as great as the others trying to save, I think we really are doing our best to try to increase programs and cost per program. We've also increased the fee for scouting programs. We've rearranged the program so that instead of meeting at a lot of different times we have more students coming in for less programs which means we can do other things. I also want to mention that I have a goal this year of getting corporate sponsors for all the programs and events at Wildwood. But in order for that to happen, I'm going to be moving my office down to Wildwood Lake Sanctuary. Currently there is not an office available. If need be I will go into the stockroom and set up an

office just to get there and get on site and start getting some of the corporate leaders of the area into Wildwood Lake Sanctuary.

We're also happy for the volunteer help that has been increasing. This past year we've had in terms of voluntary help the equivalent of two and one half full-time staff added to Wildwood. That goes everywhere from helping to clean up the area, pruning, planting, and whatever. I'm very pleased with a program that Jane Webster has started, a Sanctuary Volunteer Program called "The Wildwood Walkers". This is to provide an official presence in the park and again to help with security to increase the presence of people there to make the public safer by being there.

I also want to single out a number of Boy Scouts who are working for their Eagle Badges that have been there and helped with some special projects which also include putting up some kiosks. There is another scout working on another kiosk which improves the appearance but also helps us post things that people should know about as they go around the park.

One recent visitor took some very beautiful photographs there and we were very pleased to have that Commissioner out looking at it.

Mr. DiFrancesco: There was a lot to see.

Mr. Falk: Yes, there is. I also want to thank the volunteers and staff for the appearance of the place. If you've been out recently, I think you'll see that we've improved the overall appearance of Wildwood Lake Sanctuary particularly around the Nature Center. I'm very, very pleased with that. I must give thanks to the Friends of Wildwood for helping out. So far, they would have contributed and this is something new between \$5,000-\$10,000 to the programs, events, etc. that we're trying to get done out there. Some of the monies that we generate through the staff we must run through the Friends of Wildwood account so that folks can get their tax deductions. That is increasing and we are getting a lot of good help from the Friends of Wildwood. They are doing a lot from buying a refrigerator that goes out to putting in more bog ridges to seeing that there are more port-a-potties available for when the place is closed. We also wonder how many people really use Wildwood Lake Sanctuary and we really don't know so the Friends are supplying a counter which has a beam that shoots across a path that can basically tell us the number of people coming in and using the park. I also want to thank them for the help that they are providing already for next year. Next year we would like to call, "The Year of Wildwood". 2007 is the 100<sup>th</sup> Anniversary of Wildwood Lake Sanctuary and we are planning on some special programs throughout the year. I would like to propose to the Commissioners that one Saturday in June, that we have a picnic in the Park that the Commissioners offer to people to come in and maybe just have hot dogs, hamburgers, sodas and chips. Wildwood Lake Sanctuary was a place where a lot of people would come in.....George we can also have sausages, chicken, etc. Anyway, I think it would be nice. People used to come in and have their picnics there and this would be a way to give back to the people of Dauphin County and invite them in for an afternoon, maybe between 11:00 a.m. – 2:00 p.m.

One downside of my experience this past year was working with DEP and DCNR in trying to get the Lake dredged because it will no longer be a lake it will soon be swamp land again. The problem that comes in is that we have an endangered species, the Lotus. You can't do anything to impact an endangered species, although I would say as I'm telling them, if we let that continue to fill up soon it won't be a home for Lotus. They'll all be dead. We are continuing to work with them and talk with them of what we might do to enhance the Lake and enhance the preservation of the Lotus.

The last thing, coming up on the 29<sup>th</sup> of this month we have an expanded wetlands day. We have a lot of programs for kids and families. Also with the Friends of Wildwood and you'll all be interested in this, we're having a native plant sale. I know you will want to put some of these native species in your backyard. I brought a list which also includes the Trillium. If you know a Trillium, they are a very pretty wild flower that we are going to have available. We're going to also try to have some wild turkeys so Jeff can come over and see what a real turkey looks like.

Are there any questions? We'll try to take your advice seriously and increase revenues. I thank the staff for their help.

Mr. Hartwick: I have a few questions. First of all I've been asking for a couple of years now in budget hearings, trying to have an update, a report on utilization and trying to gain corporate sponsors is perfect timing. I think you are headed down the right track. I commend you for the job you are doing.

The one question that I have and I know it is on the table, but I'm going to make a plea to the Board in this case and I know most of you are aware, is the Morning Glory??? outlet issue trying to relate to stormwater run-off and hopefully the ability to address some of the exact sediment problems you're talking about and other issues are something that the City has had funded partially now by DEP and they submitted a request for that project to actually be funded through our Growing Greener Funds. I know that there has been some issues related to what exactly those expenses do cover in that project. Are you familiar with the project?

Mr. Falk: Yes, I'm familiar with the project.

Mr. Hartwick: And number two, just for the record, will that project address some of the concerns you raised as it relates to the sediment and other issues?

Mr. Falk: No, not at that end because it is the upper end that the sediments come in and filter down.

Mr. Hartwick: Would that issue help with flooding and other issues?

Mr. Falk: Yes, it will. Again, I already talked with a couple of people at DEP and they've agreed to come out. We're going to talk more seriously about the dredging that needs

to take place and possibly dredging only part of the Lake. But there are a whole series of situations. There are many available to get this done. So I'm not even worried about the money. It's, can this be done? We have some ideas about the endangered species that is there maybe introducing it to different areas.

Mr. Hartwick: I know there are other things that we said as a requirement and I know we're not even down that road but we're trying to allocate the County's piece to this. But we wanted to see if projects have come forward and have an economic benefit...this is what I see that has something directly related to Wildwood. It does receive I think out of a \$400,000-500,000 project cost about 2/3 of that has been covered by the State, DEP. It is one that I would see funded as a future request coming in front of the Board. This is my lobbying effort.

Mr. Falk: Any other questions?

Mr. DiFrancesco: I have one question. I have been an advocate of you moving your office down there for quite some time. I actually think your presence out there does a lot of good and working out there as your base, I think again when you bring people in to talk to them about the benefits of the Lake, having it right there and having your office right there makes a lot of sense. My question is, what seriously, I don't want you to be in a stockroom. What kind of a timeframe are we looking at?

Mr. Falk: I don't know. Currently, Audubon has agreed to relinquish some offices to make this available but they have to do some remodeling. I know they have been talking about this for months and I don't know where it is at.

Mr. DiFrancesco: If you could pass it along that I would like to see that happen within the next thirty days if possible. That would be great. The only other comment that I have is, how important it is and I think the message is out there now but as those dollars come in to Friends of Wildwood make sure that when you come before us in the budget presentation, that they are clearly documented so that we can see that, yes, here is what we are asking you for, County and that is only a certain percentage of our budget and the rest of our budget is being taken care of by private investment, etc. In the past that has been one of the big questions that has come up. We don't see the fundraising that is going on.....

Mr. Haste: Fort Hunter but not Wildwood.

Mr. DiFrancesco: We can sit here and think you're going to ask for 100% of your budget when in fact you may be only asking for 50% of your budget.

Mr. Falk: I wouldn't say it is that but I'm impressed now that the Friends are starting to give and things are starting to open up. They are really, really helpful and beneficial. Thank you.

## **E. Dan Eisenhauer, Mental Health/Mental Retardation Administrator**

### **1. Presentation of FY07/08 Mental Health Plan**

Mr. Eisenhauer: I'm Dan Eisenhauer, the newly appointed MH/MR Administrator for Dauphin County. This is the first time that I've had the opportunity to address the Board of Commissioners.

I'm here today to present the Dauphin County Mental Health Annual Plan for fiscal year 2007/2008. The state's planning cycle is always to be one full year ahead of the budgetary cycle that we're in. It is just a planning mechanism that the state uses. The state issues annually guidelines to all county programs in Pennsylvania that basically provides the form and format of what they want back from us as far as a response. I think one thing that was different about this year's plan compared to previous years was there was a much more emphasis on the philosophy on mental health services in the community, a lot more mission and vision driven response. I think that one of the benefits of Dauphin County is our mission and vision already contained the key elements that the state was looking for. Our mission and vision was actually adopted in 2003 and on review, we found that it encompassed all the requirements that the state had. I think that is a positive for our program. The other highlight was collaboration efforts. I think this is real important, too. The state is emphasizing collaborative efforts across different funding streams and across different county agencies. For us locally, I think some of the highlights of collaboration are our crisis work. With Commissioner Hartwick in the lead we're trying to work multi-county agencies on crisis response. We have our mandate to complete an agreement with our Aging Department in Dauphin County which our staff has been working on. That should be completed by the end of May. We also have collaborative efforts in our forensic departments in Dauphin County. We lost some momentum when Barry left but we're engaging with the Work Release Center and the Prison and we will soon be trying to revamp the jail diversion efforts. Some of the examples of the key area of the collaboration is housing and that remains the cornerstone for the MH department. We have a variety of programs and services where the housing department, County Housing Authority Department, provides housing and we provide support services.

Mr. Hartwick: May I interrupt. I don't know how serious and intent you are on your collaborative efforts and how successful you have been in all of the areas and how you continue to work there. Because we see a lot of dual issues with mental health and drug and alcohol, give me a status of where our collaborative efforts are right now with D&A and what we may see as contributing factors from trying to move forward with any additional collaboration.

Mr. Eisenhauer: I would say that we've made some successes in the last year, actually. During the closure of the Harrisburg State Hospital, the state was very concerned that all got a D&A assessment in planning not just mental health so we actually set up a pretty well defined protocol with our D&A Department. Katrina Rowe was our point person for setting that protocol up. Beyond that, we've talked about developing formal



Memorandums of Understanding between our Case Management Unit and D&A and our administrative level within our department. We haven't finished those. We've talked about them. I would say those are opportunities for growth and change. Again, we've had some successful collaboration especially not in the hospital but I would agree that we have work to do on both sides.

Mr. Hartwick: One of the things that I'm always serious about mental health diagnosis and how it is affected by individuals use with drug and alcohol and medications, and that needs to be something that we prioritize in this County as being one of the top collaborative efforts that MH needs to take on. With D&A being a separate entity, I know we sometimes don't have the ability to push them in the same direction. If I can say as it relates to this plan and highlight, that needs to be a part of I think one of the top goals you have as you submit this future plan.

Mr. Eisenhauer: It is and to just give you an idea, we did send one copy to the Commissioners to request your signature for next week. The Plan itself is about 80 pages long. So there are a lot of detailed sections behind this power point that I've produced here that hits the highlights. I talked a little bit about older adults. The other emphasis of the Plan is making sure the counties are serving their customers and finding out what people who use the system think about the system. We do that in two ways. Satisfaction surveys that our providers conduct and also recently the County has started our own contract to do independent satisfaction surveys. We also in preparation for this Plan, show the series of focus groups. We have four different locations including Dauphin County Prison, co-occurring substance abuse and mental health focus group, and two rehab programs. So that we actually had a facilitator meet with consumers of service and tell us what they liked or didn't like about our mental health system. I think the results were kind of surprising.

That moves us into the next couple of bullet points about recovery. What we find is that most of our consumers talk about the fact that they need more challenges. They need more educational opportunities, more work opportunities and more community integration opportunities than our system has been providing them. That is completely consistent with recovery and evidence based on recovery oriented promising practices. So we are able to take the feedback from our customers and actually put it in our Plan and develop some strategies on how we'll improve educational and community re-integration efforts.

The other highlight was that the state continually asks us to use more and more data in our planning as opposed to just what people think about our system. The executive summary is that we are in what I call the most dramatic era of change since the Act of 1966. We've had about a 50% increase in our mental health budget as a result of the Harrisburg State Hospital closure. My concern is and one that is shared I believe by the Board of Commissioners that the State continue an adequate level of funding to support services expansion in our community post the Harrisburg State Hospital closure. We have a follow-up meeting with Joan Ery and my staff actually for Friday to talk about fiscal year 06/07 and planning for 07/08. But that remains our primary concern assuring

the level of funding in what we call the out years of the closure. We also have a concern about mental assistance realignment. Children & Youth Services funding being switched to the Health Choices program. The state essentially has a project or plan to change the funding responsibility for some services from Children & Youth Programs to Medical Assistance. We've been working very diligently with our C&YS and our Mash Care Company and CBHNP. The State has not given clear guidelines or clear direction on how to make those transitions. We're all struggling. I think Sandy Moore can vouch for the fact that it has not been a smooth ride but we are gradually increasing the level of funding for kids services in the Health Choices Program. But that remains a concern that we complete that transition. When we compared our data to two years ago, I think many of the highlights of service shortages are being addressed and are significantly improved compared to two years ago with the exception of in-patient hospitalization. That's not a service that the County directly provides or contracts for; however, it remains a concern. One out of every five people that goes to our Pinnacle emergency room can expect to have to go at least two hours away to receive in-patient care. There simply aren't enough in-patient beds in our region. It also impacts a problem at the emergency room where there is a delay what we call "delay in admission". From the time a person is assessed of needing in-patient treatment until the time that they are actually transferred out of the emergency room that is becoming a growing concern. It is not uncommon for people to wait six to ten hours. In fact, we measure our delay times in four hour chunks of time and the idea and the state standard is two hours or below. Most of our admissions are in the emergency room six to ten hours. We have people that wait in emergency rooms more than twenty-four hours but most of the people are still waiting six to ten hours. The lack of capacity feeds the waiting time. It is kind of a vicious cycle. But that remains our primary concern for the mental health system.

Some of the highlights about our data we just talked about the number of people that we served in FY04/05. We actually see a decrease in the number of people that we are serving through our Case Management Unit and we analyzed why that is, and the last point on page four, it should say HealthChoices is positively affecting patterns of access to the system. When we designed HealthChoices with our five county partnership about five years ago, we had a method of access that had four doors to services. You could receive services either through case management entities, directly with providers, through crisis or directly with the managed care company. I think after a few years of maturity what we are finding is that many people are able to directly access HealthChoices benefits at the provider level and aren't needing to go through our Case Management Unit to get assistance with referrals and assessments for services. I think that is one of the positive impacts. What it means is that not everybody needs to go to the Case Management Unit on Cameron Street in order to get mental health services. If you have medical assistance, you can go right to a provider and many people are. I think that is a benefit.

The highlights for County funded services, we are serving more people on out-patient services, intensive case management, and social rehab services. We've expanded our residential capacity by 20%. Again, that is largely with the expansion of County funded

residential programs as a result of the Harrisburg State Hospital closure. That increase in capacity has greatly reduced waiting lists for residential services. When I talked about in-patient in the executive summary, there is a little more detail about what we are seeing as far as the number of people being hospitalized has increased four years in a row and this is people from all walks of life. There is a chart on page 7 that shows an annual number of people being hospitalized with assistance from our Crisis Intervention Department. So anytime our Crisis Intervention Department assists someone on in-patient assessment and referral, we count that data. So this would be private funded insurance, Medicare insurance, medical assistance, or no insurance. What it means is that there are more people needing in-patient care and we have fewer beds in our region. That is compounding the problem of the emergency room delay. The Harrisburg State Hospital data, we needed to keep track of all people that were in the State Hospital system from the time the Secretary announced the closure until the actual closure thirteen months later. So we track the disposition of all Dauphin County residents in the State Hospital system. We transferred 27 people to the Annville State Hospital and 78 people were discharged to the community. As I mentioned there are two charts that just shows the annual rate of hospitalization and then the next chart shows what that looks like over a three year period the trend of increase in hospitalization. There is a trend line that shows the number of people that need to seek in-patient treatment outside of our region. Again it doesn't look so dramatic on that chart but we've gone from below 15% to above 20%.

Last but not least, the fiscal plan. This year the planning guidelines are radically different. In the past the state would have us ask essentially for a budget request two fiscal years away. People would literally develop a wish list of services and expansion of those services and those additional funds were never realized. I think that the department changed their minds this year and knowing that the reality is, they've never been able to fund expansions that they just simply asked us to catalogue what is our current appropriation and then how do we spend our current appropriation. So, I provided the Commissioners with another handout which is the executive summary of the actual plan.

The third page, is the actual budget submission. We received \$19,346,204 state dollars in FY04/05. They asked us to add medical assistance funding, HealthChoices funding, and then other sources of funding which includes County match and federal grants and then develop a total budget. That simply is a snap shot of what money is used in Dauphin County for mental health services. They do not ask us to make a request or projection for FY06/07 or FY07/08. So we've complied with their instructions.

At this time I'll take any questions or comments from the Commissioners.

Mr. Hartwick: The first one, the budget process concerns me. Not committing to budget numbers from DPW and the experience that we've had is certainly something doesn't make me feel comfortable with the promises that were made with the State Hospital closure. I think you are right with the Board and the number one request and the number one priority we should have is to insure that the State lives up to their

commitment to adequately fund the State Hospital closure and not just to continue to allow that to subside with future promises and then renege on those in the future years which has been somewhat of a consistent policy with the State DPW.

Two things that are concerning. The first one we heard about with the State Hospital closure and I saw the budget numbers. I understand them pretty much in detail. We were talking about trying to take care of all current waiting lists for MH services, at least community based services with the State Hospital expansion money and then I see the lack of the regional in-patient services that cause us to have significant waits as well as a two hour travel time for individuals to receive those in-patient services. Is that a Dauphin County problem or is this a state-wide problem and what are we doing to address it?

Mr. Eisenhauer: It is actually a region wide problem. When the State provided some background information about the closure, they acknowledged that the Capital Region and the County is impacted by the closure, including York, Franklin and Fulton, our central region has lost somewhere in the neighborhood of 60 in-patient beds in the five years prior to the closure announcement. In southeastern Pennsylvania there is actually a glut or an excess of in-patient psychiatric beds. In our area.....

Mr. Haste: Where at?

Mr. Eisenhauer: Mostly around the Philadelphia area and that is where most of our people are going.

Mr. Haste: We've had difficulty for the forensic side of that.

Mr. Eisenhauer: In Dauphin County Prison, our only relationship is Mayville State Hospital. I'm talking at this point about community mental health. People at Pinnacle about one out of five people are actually going to the Philadelphia area. There is Brooklyn Hospital, Horsham, Fairmount right outside of Philadelphia that have become probably our fifth and sixth referral. Pinnacle remains our number one utilized hospital for our Dauphin County residents. Philhaven is second. Lancaster Hospital is our third. Hershey Medical Center is about fourth. Once we get beyond that, we're going to beds mostly in southeastern Pennsylvania. So it is a regional issue but it is not just Dauphin County. All the central counties.....

Mr. Haste: The state sat here and said they wanted us to put those folks in the community. The reason that they supposedly were doing this is because we were so good at that.

Mr. Eisenhauer: Again, I will say that we have some work to do on the prevention side. The only response that I have is that we are still in negotiations with the State with developing increased extended acute care capacity for Dauphin County residents. Right now we have six beds available to us at Philhaven Hospital for extended acute. We are in negotiation with the State for a sixteen bed facility. Part of the issue is that in-

patient units locally can't admit as many people. If they have someone who stays in their bed for 30 days, instead of the insurance average of about 8 days, that's three more people that could have used that bed in the same amount of time. If we can move people who need longer term care, more than 10 days, to an acute extended facility, it will relieve some of those burdens. All I can say is, much of the work of the closure remains a work in progress and that's one area.

Mr. Hartwick: I guess the second question that I have, and I didn't see this broken out in detail in the budget. This maybe specifically a Children & Youth Needs Based budget issue, but I think it is also a mental health budget issue. With the MA realignment and HealthChoices, what amount of money, if any, has been taken out of the MH budget and given to the Managed Care and how much are they expecting for you to be able to draw down on this year and how much do you feel realistically are you going to be able to capture?

Mr. Eisenhauer: In FY04/05, there was no reduction of mental health funds for the MA realignment initiative. There was for Children & Youth. Children & Youth had about a \$1.5 million reduction. The HealthChoices Program received a corresponding increase in funding but we don't believe that we will be able to utilize that increase. We think and we can only account for in Dauphin County about \$1 million in expenses for MA realigned programs and services. So the net result is \$500,000 reduction to Dauphin County meaning \$1.5 million was taken out of Children & Youth. It was made available in the HealthChoices Program because of slow provider enrollment and because of some other factors. We simply can't account for additional expense in HealthChoices beyond \$1 million.

Mr. Hartwick: So what does HealthChoices do with the \$500,000? It would be nice of them to return it to the Needs Based budget since we weren't able to draw down. What are the plans for that \$500,000 and how does a managed care company plan to make sure that we receive the money that has been allocated to Dauphin County?

Mr. Eisenhauer: At this point, that is a conversation with the Deputy Secretary of the Office of Mental Health and the Deputy Secretary of the Office of Children & Youth and Families. Our managed care company would not otherwise be allowed to return the money that was allocated to them by OMSA not by CYS and the rules of HealthChoices is that money becomes reinvestment dollars when not spent at the end of a HealthChoices contract year. We don't agree with that. We think special rules were made for MA realignment and we're working with at this point the Deputy Secretary to try to have the funding restored to Children & Youth.

Mr. Hartwick: Which just raises a point to me, we've had many conversations about this and the importance of counties maintaining control of the CBH and insuring that we have oversight and accountability. I think there has been a movement recently to try to remove some of that accountability from counties. CBHNP has attempted to begin to take over that managed care organization and wants to determine based upon their priorities how the money is going to be spent. I just want to say that we've had two

advocates at the table and showing them that the counties.....against four other counties and show that the counties maintain control because I see a direct conflict of interest. CBHNP can benefit seriously from the amount of money from MA realignment and use it for re-investment in other purposes. Meanwhile it is expected to be taken out of the county budget and drawn down. I want you to stay vigilant in keeping the County in control.

The last question and just a quick one, where are we at in a short version of the State Hospital transition?

Mr. Eisenhower: As you can see by this handout, we have eight planned residential services not including the sixteen bed extended acute facility because that is still in negotiations. All of the programs except two are actually opened and operating. We have two programs that are still searching for sites. We have three of our eight programs that are operating in temporary sites. We have four programs operating in alternative sites. Three of them will be moving to permanent sites by the end of this fiscal year. That leaves one program that will be remaining at Hilltop. That is the long term structure residence. That program still does not have a permanent home.

The second page of the summary is the consumer dispositions summaries that show of the 78 discharges where people went. As an overview I would say that there are eight new residential programs. Each of them is experiencing growing pains to some degree or another meaning there is a learning curve for the staff involved and for the consumer involved. There are some consumers that we would call "difficult to serve". We've had two of the programs have to go through some outside training and outside assistance from the County and state to obtain some technical assistance in serving some of our folks. I wouldn't say that those issues are surprising. When we start off new programs, we expect some bumps in the road. The only thing that I can say, the response from providers has been good. They have not tried to ignore or pretend problems aren't there. They've dealt with them. They've been open. They work with us. They work with the state.

Mr. DiFrancesco: I'm not sure if this falls into Children & Youth or mental health/mental retardation. With regards to Schaffner and evaluations, and the fact that right now, obviously Schaffner has been running probably I would say at least 130% of capacity. We've got children right now being sheltered in other counties. While it is not the entire problem, part of the problem is the fact that I've been told that we don't have enough providers who are willing to do the evaluations, I guess. I don't want to say, who can, but who are willing to do the evaluations based on the reimbursement rates that have been laid down. Correct me if I'm wrong on that. That is adding to some of the problem and it could be five cases, it could be ten cases, it could be twenty cases, I'm not sure how many. But the fact of the matter is that, and again as I understand it, at least until these children are evaluated they can't move on. They can't move out. Again the per diem rate bounces around. But the per diem rate is a pretty significant amount of money and the longer we keep them there the more it is costing us. I guess my question is, at what point do we balance the offset where we don't worry about being

compensated for the \$300, \$400 or \$500 evaluation when each and every day, we're spending hundreds of dollars to keep them in that facility. I know Sandy you have been working on this already. But my concern is, is there anything as part of the budgetary process? We kind of predicted that this was going to happen. I can remember back when saying with the MA realignment, the challenge is the system is going to become more expensive, there is not going to be enough providers that are going to be willing to do it for the cost that is being offered, etc. Of course all of that is coming true now. It is impacting the County in a lot of different ways.

Ms. Moore: I think you started the question in a really good way. Is it mental health or Children & Youth? I think it is getting to the point where you're really not seeing the difference between one or the other which was really part of the intention. But I think the bigger issue than the cost of the psychiatric is finding psychiatrists who are willing to do the evaluations for the population that we have and who are skilled at doing those evaluations for that population. As recently as yesterday afternoon, I asked Scott Schering at CABHC where we are at in terms of getting an additional pool of psychiatrists. The response that I got was a little surprising and resulted in me sending an email to our regional director of Children & Youth because there is some concern about being able to use the MA realigned funds believe it or not for children who are in the detention portion of our facility. Not being able to have our MA funds cover psychiatric for kids that are in detention but those kids have to have a psychiatric evaluation to access the MA realigned services. Basically, I sent it to the Office of Children & Youth and Families at the region and said, this makes absolutely no sense. You moved the money out of Children & Youth into a process that we can't access unless we have money in our Children & Youth budget to get the psychiatric to get them into the service that they need. The response that I got, oh yeah, that doesn't make a whole lot of sense, I'll get back to you. My response was, you have a day to get back to me or if you don't the Deputy Secretary Richmond is saying, help us with this process. That being put aside, it gets to the point that it probably is more cost effective for us to just pay for it out of Children & Youth, if we can find a psychiatrist to be able to give the service. Right now there is one contract that the County has with Dr. Potter. Dr. Potter has increased the number of psychiatric evaluations that she is doing. She has also agreed to meet with Juvenile Probation and Children & Youth staff to better understand that population and what is possible in her orders to the court. We've also met with the three judges, Judge Hoover, Judge Lewis and Judge Cherry who oversee these cases. They've written a letter to JCJC asking for clarification on how they are supporting the MA realignment. There is a live activity that is going on. The biggest challenge for us right now is finding psychiatrists who are qualified, have the time and that we feel confident can go into court and make the proper recommendations for the youth that are out there. There were lots of meetings to resolve this.

Mr. Hartwick: It is my understanding that you have identified some psychiatrists to be able to be put into a pool now or you are not that far yet?

Ms. Moore: We are working with our HMO to identify them. As of yesterday, I believe there were three different private providers who were saying that they thought they

could free up some of the time that their psychiatrists have to do some evaluations for us. The other piece in all of this though is that we need to make sure that we give those psychiatrists some training on children and youth and juvenile probation processes because if they come out and recommend, for instance a community based program for a child who is in detention, where we know there is no way or is highly unlikely the judge is going to order them back into their home, it doesn't make sense to get a psychiatric evaluation for a service that there is no way for that child to use. So we need to do some training for the psychiatrist also.

Mr. DiFrancesco: So it truly is a combination of the rate of reimbursement but it is also a matter that defines the trained psychiatrists that are trained in this particular area is a challenge as well.

Ms. Moore: Absolutely.

Mr. Eisenhauer: It is an expertise.

Mr. DiFrancesco: At some point I know this has been a very high priority and you have been working very hard at it. The challenge obviously is that we've got a serious unexpected jump, unfortunately in the juvenile crime rate right now going into this year. We're on a record setting pace in an area that we don't want to set a record. So whatever we can do to try to eliminate some of that pressure because obviously the impact aside from the direct fact that we got a lot of children in need, is the overtime spiking and we are shipping children out of the County to be housed in other shelters and that's always a challenge. Some way we got to find a way to resolve this.

Ms. Moore: To our HMO's credit, the first half of this fiscal year Dauphin County was not able to pull down enough expenditures because providers didn't convert over and some other reasons so we were not able to get close to \$300,000 of a supplemental payment that should have gone to our HMO. Our HMO said to us, there is no way that we can access this money. It needs to be put back into the Children & Youth Budget. They actually drafted a letter and sent that letter to the Secretary and Deputy Secretary of both OMS and OCYF. I also sent the letter onto the region and to Estelle Richmond a second time. That was back in December and we have yet to get a response. So, I'll be sending them another letter saying, this is a third request. We want to know what the process will be since we couldn't assume that money or pull down that money through our HMO, we want that money put back into our Children & Youth Budget.

Mr. Haste: Are you in this process, letting out legislators know what is going on? They start budget hearings and this would be good information for them to know.

Ms. Moore: Have I sat down with those folks, not yet.

Mr. Haste: At least send them copies of these letters.

Ms. Moore: I haven't yet but I will.



Mr. Haste: They are starting that process and now would be the time to put this in front of them.

Ms. Moore: I will do that.

## **PERSONNEL**

Ms. Sinner: On the Salary Board items, the first five items on the agenda are elimination of vacant positions at Spring Creek including a number of certified nurse aide positions and a number of per diem certified nurse aides. In Children & Youth, we have created a temporary children & youth family program specialist I position so that Jennifer Horn could learn Carrie Smith's job until Carrie vacated the position. Now when she vacated it, then Jennifer was transferred into Carrie's permanent position. We are just eliminating the temporary position. Prison we are creating an interim fill correctional officer position which will be eliminated after we promote some correctional officers to sergeants and move people around. Schaffner, they have a full-time maintenance worker on workers comp and that person is actually doing modified duty in security but they are getting behind in the work and have to use overtime to get work accomplished so they are requesting to create a part-time maintenance worker I position until this person can return to full duty as a full-time maintenance worker I. At which time that position will be eliminated.

In the personnel packet Aging is requesting permission to fill a Clerk I vacancy. District Attorney is requesting permission to fill a Deputy District Attorney vacancy. Facility Maintenance has two part-time custodian vacancies to fill. The Prison is requesting permission to fill three of their sergeant vacancies. Security has a full-time security officer position they are requesting to fill which they will transfer a part-timer into that position eventually. Schaffner is flip-flopping two employees. A youth program specialist I and a youth program specialist II. They are just changing positions. So we are requesting permission to fill those positions. We have some new hires in Facility Maintenance and part-time security officers in Security. Treatment Specialist in the Prison and they are also filling some of their clerical positions at the Prison, Executive Secretary, Secretary I and there are some part-time youth program specialists at Schaffner that are being filled in two positions.

In the Changes we've got the flip-flop of those two youth program specialists. They have made the effective date April 10, 2006 which was two days ago. Also, the hires of the two part-time youth program specialist at Schaffner, they would like to start them on April 17<sup>th</sup> which is before the next meeting because of when their training is taking place. I would like to request a vote first of all for the request to fill the vacancies which would be Item #6 & #7. The changes would be #18 & #19 and the new hires #16 & #17.

Mr. DiFrancesco: This would be #16 & #17 the new hires and the other two would be the switching?

Ms. Sinner: That is correct.

Mr. Haste: So you need a vote on #6, #7, #16, #17, #18 & #19?

Ms. Sinner: Yes, that is correct.

Mr. Haste: Is there a motion?

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve #6, #7, #16, #17, #18, & #19 in the personnel packet; motion carries.**

### **PURCHASE ORDERS**

Mr. Baratucci: The purchase order packet was delivered yesterday. Outside of a couple of budget issues that we will have to resolve as usual, it is there for your review. If you have any questions, I will do my best to answer them.

Mr. Haste: Are there any questions of Randy? (There were none.)

### **TRAINING PACKET**

Mr. Haste: Chad is there anything in the training packet that we have to take action on?

Mr. Saylor: Commissioners we should probably approve Item #10 for Area Aging on Aging. There doesn't appear to be a cost but the session is on the 19<sup>th</sup> & 20<sup>th</sup>.

Mr. Haste: Is there a motion to approve Item #10?

**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve Item #10 in the Training Packet; motion carries.**

### **SOLICITOR'S REPORT**

Mr. Tully: I have nothing to add but happy to answer any questions.

### **ITEMS FOR DISCUSSION**

Mr. Haste: I see Item A we need to vote on, which is a Letter of Intent to participate in the Consolidated and Person/Family Directed Support Waivers. What is that?

- A. Letter of Intent to participate in the Consolidated and Person/Family Directed Support (P/FDS) Waivers for FY06/07.  
**(\*\*A VOTE IS REQUESTED 4/12/06)**
- B. Amend Work Change Directive No.1 (Change Order No. 1) to Contract 05-04 with Total Heating & Cooling, Inc., for District Justice Office #12-2-05 from the amt. of \$3,200.00 to \$3,541.38.

- C. Appoint John Kerschner to the Ag Land Preservation Board.  
(Term expires – December 31, 2008)

Mr. Hartwick: That is the MH/MR Waiver Program that we've heard before Barry left. It's the difference in the way that we're paying services.

Mr. Eisenhauer: Prior to Barry leaving he gave you a presentation about the Federal changes that are requiring Pennsylvania to comply with Federal Waiver requirements. One of those requirements is that Pennsylvania must standardize the Medicaid Waiver Funded Services for people with mental retardation across the Commonwealth and one of the ways that happens is that we would actually execute an agreement with DPW to become the administrative entity that manages waiver funds on behalf of Dauphin County residents. The timeline was adjusted slightly but the DPW is asking counties to become the administrative entity and then sign the Letter of Intent and return it to the Department by April 17<sup>th</sup>, hence the request for a vote today. The Letter of Intent is not binding; however, Dauphin County hopes that our Commissioners intend to sign the agreement with DPW so that we can continue to manage Waiver Funded Services.

Mr. Haste: Is there a motion to approve?

**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve Letter of Intent to participate in the Consolidated and Person/Family Directed Support (P/FDS) Waivers for FY06/07.**

Mr. DiFrancesco: Can we meet any gains at all with the whole motion that they were starting to tie our hands in how we spend the money? This is the waiver program that basically said you do the 100% of these needs before you can take on any more?

Mr. Eisenhauer: Yes, we've made some headway. This year the expansion funds were allowed to serve some people who are new. It is still not the previous arrangement, when we were able to use some of the expansion funds this year to serve new people without fully meeting all the needs of the people in the waiver.

Mr. DiFrancesco: Are we still expecting that ballooning of the waiting list?

Mr. Eisenhauer: Yes, the waiting list continues to grow in leaps and bounds.

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

**All: Aye.**

### **CHIEF CLERK'S REPORT**

Mr. Saylor: Commissioners, I have nothing further unless there are any questions of me.

## **COMMISSIONERS' COMMENTS**

Mr. Haste: Are there any comments? (There were none.)

## **PUBLIC PARTICIPATION**

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

## **ADJOURNMENT**

Mr. Haste: Is there a motion to adjourn?

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

Transcribed by: Julia E. Nace, Asst. Chief Clerk  
April 12, 2006

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff