



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

WEDNESDAY, JUNE 9, 2004

10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Bob Dick, Treasurer; Ed Marsico, District Attorney; Randy Baratucci, Purchasing Director; Garry Esworthy, Risk Manager; Noel Falk, County Project Assistant; George Shultz, Public Defender; Mike Yohe, Budget Director; Edgar Cohen, Facility Maintenance Director; Gary Serhan, Deputy Controller; Kelly Wolf, Solid Waste; Jeff Patton, Juvenile Probation, Steve Suknaic, Juvenile Probation Administrator; Bruce Foreman, Esq., Assistant Solicitor; Eileen Carson, A.A.A.; George Connor, Economic Development; Lena Martinez, Veterans Affairs; Robert Knupp, Esq., Assistant Solicitor; Kacey Truax, Commissioners' Office; Diane McNaughton, Press Secretary; Jena Wolgemuth, Commissioners' Office; Richie Martz, Commissioners' Office; Kay Sinner, Personnel Office; Chip Vance, Esq., Assistant Solicitor; Melanie McCaffrey, Solicitor's Office; Sandy Moore, Human Services Director; Carolyn Thompson, Court Administrator; Mike Pries, Security Director; Dave Christian, Juvenile Probation; Rob Ocker, Juvenile Probation; John Christman, Juvenile Probation; Julia E. Nace, Assistant Chief Clerk

GUESTS PRESENT

Boyce Warner, Berrysburg Borough; Claudia Maffei, Lykens Borough; Terry Sneed, Open Stage;

MINUTES

CALL TO ORDER

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

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have four sets of Meeting Minutes that we will take up at next week's meeting.

ELECTION BOARD

(Minutes of the Election Board are on file in the Commissioners' Office.)

PERSONNEL

Ms. Sinner: In the original personnel packet, we have a vacancy listing. Are there any questions on the positions listed? (There were none.) The position of the Administrative Assistant I in the District Justice Administration won't be filled until July. We just want to be able to post that position now.

Mr. Haste: Is this any District Justice office or is this over in the Courts?

Ms. Sinner: This is in Courts.

Then we have the new hires listing which are mostly Spring Creek positions. They are being funded by Medicare and Medicaid.

In the changes listing, I request a vote today on items 1-4 because the effective date of those transactions are all before next Wednesday's meeting. Do you have any questions on those items, 1-4?

Mr. Haste: Would you explain 1 & 2?

Ms. Sinner: Number 3 is really the same thing. The rate of pay was incorrect on the paperwork that we received. The salary matrix does not have an hourly rate at that step. The correct hourly rate is \$9.67. This is in line with what other departments are paying part-time law clerks.

Mr. Haste: The date that is listed is the date when they started?

Ms. Sinner: Yes, that is their start date. We have to correct it back to their start date. The change was made in time that the employee was not affected. One does not start until Monday.

Mr. DiFrancesco: Given this correction and given one of the points that we're going with at Spring Creek where I've been told that people would work in one position and then would transfer to another position was capped but they would take the salary that they were earning at the old position and move it over and basically are being paid above what the cap was. I'm dropping this on you without any background. My question is, what process and procedure is in place to make certain that when these things come before us they're meeting all the standards, all the matrix, and everything else that they are supposed to meet prior to us voting on them. I mean are reviews done? Are time to time reviews done comprehensively to say this person is being paid outside of that pay grade?

Ms. Sinner: I do make sure that the pay grades are correct and generally make sure they're correct at the step.

Mr. DiFrancesco: I'll talk to you about the other thing. It was something that was going to be addressed anyway but in light of this it is something we need to talk about because if it is in fact happening then it needs to be corrected to the best of our ability and some procedure needs to be put into place.

Ms. Sinner: I would like more information because I know certain positions are in certain ranges. There are not exceptions to that. If that was happening, I would like to see how I could prevent that.

Mr. DiFrancesco: Thank you.

Ms. Sinner: In the addendum, there is a salary board request for Juvenile Probation. It is creating a System of Care Specialist. That position will be funded by a federal System of Care Grant for the purpose of promoting the Family Group Conferencing and working with the Faith Based Community to expand that, training people, etc.

We have the vacancy listing and the new hires addendum. That is a CNA for Spring Creek. There is a changes listing addendum that is for the transfer of Helen Spence into this System of Care Specialist position.

Mr. Haste: Marie did you get this information?

Mrs. Rebeck: Yes.

Mr. Haste: You need action on five items?

Ms. Sinner: Four items.

Mr. Haste: Are you looking to do the Salary Board now or next week?

Ms. Sinner: Next week will be fine. It is effective June 21st.

Mr. Saylor: The Hiring Freeze Committee is going to review some of the things in the personnel packet and a few other things that have come up that will probably be added by way of an addendum. On this current addendum, it might be helpful to me to get from you gentlemen an idea of the situation like the System of Care Specialist, in particular. This is a situation where a current county employee is being transferred to a position that is being created through a federal grant. I've been notified that her vacant position is intended to be filled at some point down the road. This is going to be a new position that is being created although by a grant. I believe it is a five year grant. It would be helpful for something like this, that this is happening if this type of program is a priority for the Commissioners because I think the Hiring Freeze Committee will need to take that into consideration. Because although this is a position funded by a grant, it will lead and is essentially creating another position.

Mr. Haste: When is that second position intended to be filled?

Mr. Saylor: We haven't had that conversation.

Mr. Suknaic: It is actually two steps. Helen has been Assistant Supervisor. Our proposal would be to come to this Board on July 7th Meeting to make a request to have one more existing employee promoted to Helen's Assistant Supervisor position. Then we would hire someone from the outside to fill that other position. It would be a net savings in the County to the JPO budget to about \$4,500 in salaries.

Mr. Haste: Because you are hiring someone at a lower rate?

Mr. Suknaic: That is correct.

Mr. Haste: All that will take affect in July.

Mr. Suknaic: We are requesting the action on Helen's request take place in June and the internal person being promoted to the Assistant Supervisor position in July. The outside person be hired August 2nd. That person has to give two weeks notice to her current employer.

Mr. Haste: So that person has already been identified?

Mr. Suknaic: Yes.

Mr. Haste: As long as we are not adding anybody to the payroll before July 14th I don't have a problem with it. At that time, you have until then to make sure those positions are necessary.

Mr. Suknaic: Right.

Mr. Hartwick: I concur.

Mr. Haste: Is there anything else? Are there any further questions for Kay? (There were none.)

Mr. Haste: Is there a motion to approve Items 1-4 Workshop Agenda Changes Listing?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board approve Items 1-4 in the Workshop Agenda Changes Listing; motion carried.

TRAINING PACKET

Mr. Haste: Chad, is there anything we need to know on the Training Packet?

Mr. Saylor: Nothing needs to be approved today.

PURCHASE ORDERS

Mr. Baratucci: You should of all received the purchase order packet yesterday. There is nothing unusual in it except for the budgetary adjustments that need to be done between now and Wednesday to get the money in the proper codes. If you have any questions on any of the items, I can answer them. Otherwise, it can all be forwarded to next week.

DIRECTORS/GUESTS

A. Commissioners

1. *Check presentation to Terry Sneed, Open Stage - tourism grant money.*

Mr. Hartwick: We've come to the point where we have been bringing folks in who have been the recipient of travel and tourism grants which we know is a percentage of the tax that is collected on hotel rooms, occupancy tax that is collected by Dauphin County. Whereas a portion of which goes to support the Giant Center, the Civil War Museum and the Whittaker Center. But there is a large portion that is given at the discretion to the County Commissioners to be able to help to promote tourism. Each year we receive many applications to consider and we've have been bringing folks forward in order to receive the \$2,000 grants that have been approved by the Board of Commissioners. Today we are very fortunate to have with us Open Stage of Harrisburg. They have been selected by this Board of Commissioners to receive a \$2,000 tourism grant. Open Stage of Harrisburg is a professional theater and studio school that is dedicated to

producing contemporary drama unavailable to the capital region. We know how richly this region is moving forward in the area of culture and the arts. Hopefully, with the international conference that is coming to town, you will take advantage of the culture and arts that are presented by Harrisburg. This program, Open Stage of Harrisburg, is supported through private donations and in almost twenty years, this program has grown from a small location on Jonestown Road owned by Nick and Ellen Hughes to an intimate theater and gallery located on the street level of the Walnut Street Parking Garage. Through the years they've performed countless number of plays as well as community-wide educational outreach programs. For all of those who are interested, I can't help but put a plug in, tickets are currently available for the upcoming production "As Puppets Speak", for all of those who would like to join in and help support Open Stage. I would like to call the representative from Open Stage of Harrisburg and award them the \$2,000 check that has been approved by this Board of Commissioners. Congratulations. (Check was presented and pictures taken)

2. Presentation of Public Safety Award to Juvenile Probation Officers; Dave Christian, Rob Ocker & John Christman.

Mr. Haste: It is our pleasure today to recognize three individuals who work in our Juvenile Probation Office. Again, these are individuals that often times their work goes unappreciated at times. It is our pleasure to be able to recognize these three individuals today. Each has a little different wording in their achievement so I will read each one and then call them forward.

The first is presented to David Christian. On this 9th day of June, 2004, in grateful recognition of his exemplary team work, exceptional performance and uncommon courage in locating, pursuing and apprehending a dangerously armed robbery fugitive listed on the ten most wanted list in Crime Stoppers of Dauphin County.

The second is to John Christman. On this 9th day of June, 2004, in grateful recognition of his exemplary team work and his devotion to public safety and service displayed during 2003 which has resulted in 744 arrests and the confiscation of more than \$30,000 in cash, 26 firearms, 33 ounces of cocaine, 512 bags of heroine, 5.5 pounds of marijuana, 120 vials of PCP, and 72 ecstasy pills for a combined street value of \$1,020.

The third is to Rob Ocker. On this 9th day of June, 2004, in grateful recognition and exemplary team work and devotion to public safety and service displayed during 2003 which resulted in 744 arrests, confiscation of more than \$30,000 in cash, 27 firearms, 33 ounces of cocaine, 512 bags of heroine, 5.5 pounds of marijuana, 120 vials of PCP, and 72 ecstasy pills

Again, I think if anybody has followed the news, although it was a federal probation officer in Philadelphia, it doesn't often hit us as to how serious your jobs are and how dedicated you must be to this position and the difficulty you place yourself at times on the streets. I think it was made very clear in Philadelphia in the last few days where the federal probation office was trying to stop someone, was shot, a shoot out occurred and

unfortunately the suspect is no longer with us. You never know when you will be called upon to put your life in danger. We do appreciate the work that you have done.

Would Rob, John and Dave please come forward? Steve would you please come forward, also?

Mr. Suknaic: I would like also to introduce the supervisors of these three officers, David Sheely and Steve Bishop. Just one footnote to the comments that you made Commissioner, these three officers, in particular, work a lot of nights and weekends. They do not work a nine to five job, in fact not just nights but sometimes into the wee hours of the morning. I would like to be able to tell you that all the juveniles on probation are neatly tucked away in bed at their 9:00 curfew. That's not true in every incidence. Their work with the Harrisburg City police and the Adult Probation Office really produced the results that you just described. (Certificates were presented and pictures taken.)

***Garry Esworthy, Risk Manager and Corey Stein, Former Risk Manager
for the City of Harrisburg.***

1. Presentation on Self Insured.

Mr. Esworthy: As part of due diligence in the analysis of the health care benefits package that we are currently reviewing, the Chief Clerk has asked me if I knew of anyone who could bring some information to you similar to what we are doing, going from a fully insured plan to a self-insured plan. The one individual that I could think of that did that was Corey Stein. Corey used to be the Risk Manager for the City of Harrisburg. At that time the City of Harrisburg was fully insured and went to a self-insured, self-funded plan. I thought I would bring Corey in to just give you an overview of what occurred when the City did that.

Mr. Stein: Just to add to that background, I also spent the better part of the last six years with Employers Re-Insurance Corporation, a large insurer of health benefits and other coverage. That is a company owned by General Electric. Again, I want to thank you for inviting me to speak to you.

My experience as the City of Harrisburg Risk Manager and taking the City self-insured for health benefits was an interesting one. The point that I want to make first off is that it took me two years to accumulate sufficient information, analyze data, trends and options and move forward to negotiate the best deal for the City of Harrisburg. We entered this process without a preconceived belief that self insurance of health benefits was the best course of action. We only embarked on this process after we had demonstrated many years of successful risk management programs. Additionally, we were committed to look into the effects that the decision of self-insurance of health benefits would have not only on one year from now but also five and ten years from now. For it to work, a lot of financial, contractual, and operational considerations had to line up and support. We also approached this process from a guest talk, big picture appreciation of all drivers of utilization including but not limited to workers'

compensation, absenteeism, etc. It is important to note, that we speak of self-insuring health benefits we are typically referring to the self-insuring of the claims paying layer where the majority of the claims are paid. There is still a need to purchase excess stop loss coverage on proclaimed basis and possibly on an aggregate basis depending on what the insurance market conditions are and your appetite for risks.

In Harrisburg we've decided to shop options for this coverage through all available markets to bring the best cost effective protection to the table. To accomplish this task, it took a very aggressive approach in gathering information. Generally, you must have at least three years of data but five years is preferred. The process of accumulating the appropriate data, analyzing current and past provider contracts, as well as drilling down provided of data from the health care providers, several additional layers made all the difference. It put us in a position to recognize options and understand the drivers of the City's experience. We then utilized this information to shop the excess insurance effectively to support a feasible first step towards self-insurance.

Operationally, there were many challenges as well. I had to upgrade the experience level of my staff and myself to support this initiative. I had to generate buying support from the finance director, the business manager, the personnel director, the City treasurer, the comptroller, the City Council and the Mayor before, during and after the decision was made to self-insure. I had to address the potential issue of what happens if our first years turns out to be an atypically bad experience year. How would we handle it financially? Can a reserve fund be generated and protected from being drained for other city needs?

Finally, I had to make this process operate without any impact change to employees to start since we were proceeding on this initiative during a non-union contract negotiation period. Our contract set the time for two union groups specified Blue Cross/Blue Shield only. I had to negotiate the competitive deal with the Blues to continue administrating the same benefit under a self-insured scenario. Even so, we were able to carve a prescription drug benefit for non-union uniform to another provider on a self-insured basis and save considerable money. Fire police followed the next year. Therefore, I had to make this work with Blue Cross & Blue Shield without cutting or changing any benefits and still produce a cost saving efficiency that could withstand a poor performing first year. I was able to do this by understanding inside and out past contract language that in some cases grandfathered the City of Harrisburg with certain advantageous contractual rights with the Blues. This was very important and took extensive research. Additionally, we were able to demonstrate an ability to audit the Blues' performance. We were also able to bring sufficient expertise to the table to demonstrate our ability to evaluate other health care provider options for further union contract negotiations. When it is all said and done what made the decision financially sound for the City of Harrisburg to move forward for self-insurance, were many factors that lined up together which would have to line up for Dauphin County to make a self-insurance choice financially sound as well. Only extensive analysis will determine what is right, what is the right decision for Dauphin County. We in the City of Harrisburg were very aware that there was substantial risk inherit in this process.

My best advice to you is to make sure you do your due diligence. My experience both as a risk manager and as an insurance industry executive, is that even the smartest insurance executives and actuaries have miscalculated. A well conceived thought out process drives your decision. For the City of Harrisburg the decision to self-insure health benefits, saved the City millions of dollars in actual cost and avoided cost, allowed the City to continue to provide the high level of benefits to it's employees. This opportunity lies with any other public or private entity if the employer process that guides their timing and approach and does not force a square peg into a round hole.

Mr. Esworthy: Again we just wanted to bring in as many informative people before as we progress down this road. I'm sure there will be others coming before you.

Mr. Haste: What timeframe are you looking at, Garry?

Mr. Esworthy: This is strictly for health benefits. This is something that is in Sharon's expertise, not mine. Chad just asked me if I could provide Corey for today's meeting so I can't answer a specific question like that. But if Sharon is in the audience she may be able to answer it for you.

Mr. Hartwick: She is not.

Mr. Saylor: What was the question?

Mr. Haste: I'm trying to see what sort of a timeframe we are on with the decision of what we are going to do here.

Mr. Saylor: We have sent out RFP's. We have a committee that is going to review the RFP's and make some suggestions to the Board. We hope to approve a consultant by mid-July. Begin looking at potential plans and options and sometime in mid-to late August have an idea of a plan for you guys to begin to consider and ultimately have something in place for September.

Mr. Haste: Okay. Are there any questions for Corey or Garry?

Mr. DiFrancesco: Would it be possible for you to forward your comments to us in electronic form for the record it would save the folks in the back some time to transcribe it. We would appreciate it.

Mr. Hartwick: I would like to add, Corey, thanks for coming in and educating me on the self-insurance piece and providing your expertise and knowledge significant savings that you provided to the City and your work outside of the City has proven that you're extremely competent, credible and I learned a great deal from you. I expect to continue that discussion as we move forward to make the decision. I appreciate you offering yourself as a resource.

Mr. Haste: Thank you, Corey.

C. Boyce Warner, Berrysburg Council and Susan K. Zurat, Lykens Borough Secretary

1. Two requests for un-programmed Community Development Block Grant funds.

Mr. Haste: Mr. Connor, I believe you have two requests that we need to discuss.

Mr. Warner: My name is Boyce Warner, I'm representing Berrysburg Municipal Authority. I'm here to request some funding for a building over our clarifier. In the past two years, we have had some problem with it freezing in the winter time. When it was constructed, we put it above ground to save some money. Now it is costing us money and we would like to put a building over the clarifier.

Mr. Haste: Even with the building, you're not putting heat in the building are you?

Mr. Warner: No, but the building over it with the heat that this generates will be enough to keep it from freezing from the wind. If you are familiar with the area, Berrysburg is an awfully windy borough. We are right in the middle of the valley.

Mr. Haste: Have you run this by the engineer?

Mr. Connor: Basically what happened, was they were awarded the funding and to save the construction costs, they built it above ground. Then they found out in the winter that it froze. So what they need now is, they don't have the money to build the housing around this pump. So basically they are requesting CDBG funds to build the house around the pump to save it from the wind and freezing in the winter. It froze the last two winters.

Mr. Haste: I understand that. My question was, when it gets cold, is the building.....

Mr. Connor: Is it going to be.....it shields the wind. The engineer said it will be sufficient to stop the freezing.

Mr. Haste: Okay.

Mr. Connor: The engineer design on the drawing was Glace Associates, Bob Kissinger. Basically, what happened was we had to go out with the RFP process and with the CDBG Program, the lowest bidder is selected. Therefore, Glace was not selected. A third party engineer was selected and they designed the pump. Therefore, that is why we have the problem. That's what Mr. Kissinger has related to me. He said he would have built the pump with the housing unit around it.

Mr. Hartwick: Commissioner Haste's question is legitimate. Is there any engineer report that supports that the housing would avoid any future freezing?

Mr. Connor: I would have to check on that. I'll check with Bob Kissinger to see what he says about that.

Mr. Haste: I just want to make sure that if we do this that we are solving the problem.

Mr. Warner: The way I understand in talking with Bob, he thinks that just the structure will be sufficient to keep it from freezing and keep the wind out.

Mr. Connor: They want to know that it is guaranteed.

Mr. Haste: What type of building is it going to be? It was wooden wasn't it? Are you putting insulation in it?

Mr. Connor: Do you know the construction?

Mr. Warner: I'm sorry I'm not familiar with the construction.

Mr. Haste: Wooden frame with metal siding and gable roof, for \$24,000?

Mr. Connor: I would need to get the information.

Mr. Haste: How big of a building is it?

Mr. Connor: I don't know the square footage.

Mr. Warner: It is about 18' X 30'. I'm not sure of that.

Mr. Haste: George, where would these funds come from?

Mr. Connor: From the un-programmed funds for CDBG. That is out of the 2002, \$82,466. Once again we do have to spend this money in a timely fashion or we will lose it. Some other requests come in, we've been advised by the Chief Clerk to bring people before you guys to present their requests to possibly request these funds. We don't want to send the money back to the federal government. It is eligible. We were selected in 1999 for the 148,840.

Mr. Haste: I would hope that \$24,000 for that size of a building sounds a little high. I'm in the process of helping build a two story concession stand that is 40 X 40 that is only going to cost a little bit more than that. Maybe there are more things in here that we don't see. It just says a wood frame with metal siding.

Mr. Connor: I'll get all the information. He is the one that will be constructing it and doing the design. I don't know that information but I will get it for you.

Mr. Haste: I would hope with that price that there is insulation or something in there that is going to keep the heat in. I don't have a problem moving forward as long as we get confirmation on the project. Make sure it is going to do the trick. I don't want to throw more money down the drain.

Mr. Hartwick: Just for the record, how much did building this thing above the ground save you in the overall scheme of the project?

Mr. Warner: I really don't know.

Mr. Hartwick: I was wondering how the decision was made to build it above ground to save money and now we are probably going to be spending extra money to put a house around it. What process is undergoing in order to make these decisions without careful consideration. I think that is all we are asking to make sure if we do something we have all the appropriate information insuring us that this problem won't be reoccurring.

Mr. Connor: Like I said, when it happened in 1999, they sent out the RFP process. The engineer was selected, they designed it and it was a mistake. Obviously, they didn't take into consideration the temperature, the wind, and the pump froze. Basically, wasn't their fault. Could we hold the engineer accountable and liable, possibly yes. Maybe that is the avenue we follow.

Mr. Haste: Who was the engineer?

Mr. Connor: Light-Heigel designed the pump. I would have to get this information from Bob. He has more information.

Mr. Hartwick: I'm all for helping to protect the infrastructure of Berrysburg. We just need to make sure that we are not throwing tax dollars after tax dollars here to solve problems when they could be resolved with the initial investment. I think that is what the citizens complain about government because we are not doing things effectively and efficiently. Then this is another example. In order for us to support this, I would like to have some additional information and assurances that this will in fact correct the problem.

Mr. Connor: Now we have Lykens Borough, Claudia Maffei.

Ms. Maffei: Good morning gentlemen.

Mr. Haste: This is another Light-Heigel project. Are we getting a pattern here?

Ms. Maffei: Approximately eight years ago, Lykens moved the Borough and sanitation offices, the police department, water & sewer authority office and council chambers to the east where the former dancehall was which was renovated to the borough offices. At the time, we were using another building but that was not ADA accessible and it was in a basement. So we did move it to the dancehall. This grant that we are requesting

right now is to install curbs and sidewalks leading to Main Street to the south side entrance of the senior center. Currently there are no sidewalks causing citizens to walk on the street. The Borough also requested to paint the building which has never been painted before. The building is located in the west borough park. The gazebo is located at the north end of the building. This section of the park is used various for activities throughout the year but mostly for the summer concerts in the park which are very well attended each week from the beginning of June through Labor Day. When applying for this grant, Lykens Borough sought out estimates that were low hoping to better its chances for funding. The Borough requested \$12,100 in funding at that time. April 16th of 2002, DCED informed Lykens Borough that the municipal building improvement project was allocated \$12,100 in funds. To date, Lykens Borough has spent \$3,104.73 in engineering fees for the project. On July 21, 2003 bids were solicited for opening at our Meeting and one bid was received from IceSolv. Project number one would be painting exterior masonry walls, at \$9,270. Project two would install curbs and sidewalks at a cost \$25,800 which is a total of \$35,070. Lykens Borough Council regretfully did not accept the bid received as the Borough did not have funds available to make up the difference. Lykens Borough Council sent a letter on July 30, 2003 to the Dauphin County Commissioners, Representative Mark McNaughton, and Dauphin County Redevelopment Authority requesting additional funds for municipal building improvement project. As of April 12, 2004, Lykens Borough Council sent a letter to the Dauphin County Commissioners requesting additional funding for the municipal building improvement project and draw up new bid specifications and rebid the project. June 9, which is today, 2004, Lykens Borough Council respectfully requests additional funding for the municipal building improvement project in the amount of \$22,970 which is the difference between the funding awarded and the one received. The one that we did receive was the \$12,100.

Mr. DiFrancesco: I'm assuming that when the original architect put together at the engineering firm the specs and came up with a number they felt was reasonable in terms of expectations. That's why the request was made for \$12,000 or?

Ms. Maffei: Right and of course, it was much higher than what we anticipated.

Mr. DiFrancesco: Did you get any sense from the other folks that had requested the bid packets as to why they did not or?

Ms. Maffei: No, I'm kind of coming in on this and I apologize for that. I do have all the information which our secretary has kept very good records of those transactions. My understanding is, at the time we thought \$12,100 would cover the cost of getting the building painted, etc. Then of course when we looked at the bids, we only had the one person come in, study it. We put up \$3,100 upfront for that project. Of course, at this point we still don't have the building painted. The park is used constantly in the summer time. We get people from all over the area with their chairs. Usually they are the elderly people. They come into the park and we have bands in the gazebo. There are no sidewalks so it is like walking on grass. There is no curbing. We would like to have that and we would like to get the building painted.

Mr. DiFrancesco: In my opinion, it sounds like a good project. I'm not disputing that. I guess my concern is when....I'm assuming an engineer prepares an RFP and the bid. Only one bid comes back so high, doesn't give me a real secure feeling. If you get three bids back and they are all in that same ballpark then you have to look at it and say okay we have under estimated. My question is, I'm assuming the \$3,000 paid to the engineer was for design or something and not hopefully their RFP.

Hartwick: Are you sure that the bid still stands for \$35,000?

Mr. Connor: There wasn't an RFP process done for the estimate on the \$12,100 request. They just hired someone to come in and give them an estimate. That's what the problem was. Like you were saying the bid is no good at this point so we are going to have to rebid this and hopefully, we do get more than one bid. When they bid it only one bid came in for IceSolv at \$35,070. So we are now going to rebid it in about a month. My recommendation is if you guys would approve to fund the additional cost. It is going to be over \$12,100. If you would approve for the additional money for whatever the bids come in. Hopefully, we get more than one bid. Only one guy wanted to paint this building. We are going to try to get more bids on this at possibly at a lower price.

Mr. Hartwick: If I could just follow-up, I know a ton of painters and a ton of masons that would be more than willing to bid on this project. I guarantee you they would be willing to come in a lot more competitively. How we get the information out to folks on the project is critical. Randy could tell you the more people that compete for actual projects the better the cost. The problem is, if you were to bid this thing out in the middle of the summer time, I know from a former municipal leader, we bid things out in the summertime they would come in a whole lot higher than they would if I would have waited until the winter time when people are starting to line work and they are competitively trying to get their schedules setup for the upcoming years. That is just something else that I want you to consider as you go through this process is the timing of when you put these bids out as well as making sure that the information that get out in the RFP is something that is done in an appropriately advertised and thoughtful way to get as many contractors in on the project. Whoever gave you the estimate of \$12,100, you shouldn't use again in any way. There is a certain thing about low balling and there is a certain thing about being absolutely unreasonable of the expectations. I'm in support of the project but moving forward without a real number and without an understanding of what the total amount of this project would be would certainly be putting the cart before the horse. Maybe taking care of this process and coming in to us and requesting this specific amount that has now been bid and we have secured a bid for the work to be done. That maybe the procedure for us then to come forward and say, we went out with an RFP, we now have an exact cost for you guys to consider and will you guys consider it at this point? That would be my preferable procedure.

Mr. Haste: That won't work in the normal process because when we do the normal CDBG Hearings, there is not enough time to go out and get a bid. They need to have someone give them a good estimate ahead of time.

Ms. Maffei: My understanding in talking to our secretary. She contacted the person who agreed to do the job for us originally. They told her that they certainly would love to do it. Some of the costs on some of the items have gone down and some have gone up. So there may be additional monies, I'm not talking a lot of monies that the Borough may use of their own money. It may be \$1,000, \$2,000 or \$3,000. We really would like to have it done.

Mr. Connor: All this information is coming from the Redevelopment Authority. They handle that part of the program. We don't have anything to do with that. I'm getting all of this information secondhand.

Mr. Hartwick: Without going through a great deal, could you inform me Commissioner Haste of the procedures of the CDBG? We have not done any from this Board of Commissioners yet.

Mr. Connor: July 13th should be on all your calendars. That is the first public hearing. That will be the first experience that you guys will have with the selection process of the projects. Commissioner Haste went through one already.

Mr. Haste: When they come in here, someone needs to have an estimate and good idea of what the project is going to cost. You can't have actual bids because if I were a municipality I wouldn't go out and do a bid if I know I don't have funds. It's hard to do a bid. In the CDBG process, there are actually two hearings.

Mr. Connor: There are actually two. All the bids or rather the estimated costs of the projects are on application as we speak. I have all that. So once we come into the public hearing, people like Claudia will present their project to you. Then we have about two months to select the projects. Once we select them, then they go to HUD for approval. They have to be approved by HUD then we receive the money. Once the funds come then that's when the bids happen. Then the Redevelopment prepared an RFP process, send out the RFP's, contractors are selected. You have to take the lowest bidder. That's what happened in this case. They selected the lowest bidder.

Mr. Hartwick: The problem here though when you select the lowest bidder, they can't change the overall scope of the project.

Mr. Connor: That's the federal guidelines. You have to take the lowest bidder.

Mr. Hartwick: I know taking the lowest bidder, and again this may not be germane to this topic. I need to understand this. When you select the lowest bidder, we don't have the opportunity to change the scope of the project. They then can say we want to save more money and go against everything that we approved here from the Board and the cost estimate for this project. There's got to be some sort of approval process from our standpoint if there is going to be significant changes to the scope of the project.

Mr. DiFrancesco: The bottom line if you scope it out in a particular way they have to bid on the scope as you presented it.

Mr. Connor: Right, exactly.

Mr. Haste: That's what happened. Going back to Berrysburg, what they did was put out for an engineer and an engineer came in and convinced everybody this was the way to go and save money. Who wouldn't sit here and say that's the way to go. They didn't change the scope at all.

Mr. Hartwick: With saving money, where does that money then go for the CDBG allocations? Does that come back to the County? Or does that then go to Berrysburg for them to be able to use for another project that may qualify.

Mr. Haste: No, they submit reimbursements.

Mr. Hartwick: Berrysburg should then say, no, no we don't want to save money, we want this thing done right.

Mr. Haste: Except, someone convinced them that it would work.

Mr. DiFrancesco: Absolutely, if you have an engineer saying, this is the new way of doing it and save a lot of money that's going to be great.

Mr. Hartwick: For the record the name of this engineering firm again is what?

Mr. Haste: It's right on there. It's on both projects, Light-Heigel & Associates. I think we need to move forward with it, and rebid it. Quite frankly, I saw and you said it would cost more engineering to rebid it? I would tell them, no. You already have the documents. Rebid it yourself. What are you changing with the engineer?

Ms. Maffei: Nothing.

Mr. Haste: They messed this up to begin with. They've gotten their money out of this.

Ms. Maffei: So you are saying go ahead with what Light-Heigel has proposed?

Mr. Haste: Yes, if you have the documents and have everything, rebid it. There is no reason to go back to them and have them.....

Ms. Maffei: Charge us more money.

Mr. Haste: Right.

Mr. Hartwick: George, these would come out of un-programmed funds as well and a different calendar year?

Mr. Connor: 2002.

Mr. Hartwick: Still that would come out of the \$82,144?

Mr. Connor: Exactly. With the CDBG Program, the oldest money is spent first. So once the \$82,000 is spent, we have another \$171,000 from the 2004 year which is happening right now. We did not allocate any un-programmed funds in 2003. We gave it all out to the projects. Once we spend this \$82,000 we have to get rid of the \$171,000 also.

Mr. Hartwick: If I can get a comprehensive report on those un-programmed funds, I would greatly appreciate it.

Mr. Connor: I sent them up to Kacey.

Mr. Hartwick: Okay. That's all I have, thanks.

E. Edward Marsico, District Attorney

1. PCCD Grant for a gun violence prosecutor position.

Mr. Marsico: I'm here to request your approval of a grant application to Pennsylvania Commission on Crime and Delinquency for funding for a gun violence prosecutor position for the District Attorney's Office for 2005 & 2006. The grant application is a total of \$111,741 which would cover the salary, benefits, as well as some supplies for that employee.

To give a little bit of a background, last year the United States Department of Justice instituted a program they call "Project Safe Neighborhoods". President Bush and Attorney General Ashcroft have been very supportive of this program. Congress has, too in fact been throwing lots of dollars behind this program. The theory being that there are gun laws on the books that if we enforce them, we can begin to make a difference in some communities where gun violence is a problem. What they have urged us to do across the country is to have District Attorneys work closely with the United States Attorneys and identify cases that are right for federal prosecution, felonies mostly, who are in possession of fire arms or commit crimes with firearms and have a prior record and send those cases to federal court where the penalties are much more severe than what they would be here in state court. We started that program last year here in Dauphin County. We've indicted approximately 60 defendants in federal court. We received funding for a gun violence prosecutor from the Department of Justice for 2003 and 2004. That enabled us to devote someone pretty much full-time to handling these gun cases. In fact, she is in trial in federal court today. She's crossed designated as a Special Assistant United States Attorney. That funding is not going to be renewed at the end of this year specifically gun violence prosecution program money will not be available. What they have done instead is give the United State Attorney's Office

money and say use this at your discretion as you see fit. United States Attorney Marino has turned to the District Attorneys and said, "you can apply for grant funding from this pool and use the money as you see fit". What I would like to do, so it doesn't become a burden back on the County to keep this program going is to continue to fund a prosecutor for the next two years. Some other counties have put in for equipment and some other different things but my big thing is just having a prosecutor that I can devote to doing these cases full-time. So that is what our proposal is for. It has been preliminarily approved by the United States Attorney's office. I will pretty much have final say. PCCD in this particular grant process is really just a pass through. The United States Attorney is not allowed to hand out funding because of the Department of Justice regulations. Pretty much as we have seen other grants like this, whatever the U. S. Attorney says, PCCD will follow through. It's a request that requires no County match whatsoever. As the grant were currently in the cycle there's no County match. That is what this proposal is. I would be glad to answer any questions about it.

Mr. Haste: I'm okay with it.

Mr. Hartwick: Whenever we see PCCD come before us, I always go, hold up because of the requirement for us to fund it, then after those funds go down consistently 75%, 50%, & 25%. Your indication is that this is simply a pass through and there is going to be, just for the record, no future requirement for us.

Mr. Marsico: That is Correct.

Mr. Hartwick: To sustain the position. I fully support your request.

Mr. Marsico: It's through PCCD pretty much in name only, Commissioner Hartwick. You're right most PCCD grants are the type you described. This one they are basically handing out the money because U. S. Attorney's Office can't.

Mr. Haste: This grant is only for two years at 100% and then you reapply in two years?

Mr. Marsico: It depends, first of all on what administration is in Washington because this administration has made this a priority. I have talked to Congressman Holden though and told him about the success of this and I think Congress might continue to appropriate in the future. They have thrown, I think in the last couple of years, \$400 million into this. It is amazing. It is a lot of money.

Mr. Haste: I read your stats and it is clear we need it.

Mr. Marsico: We really do.

Mr. Hartwick: Is there any time line? Do you need approval today or can it wait until the Legislative Meeting?

Mr. Marsico: You can wait until the Legislative Meeting.

Mr. Hartwick: I know these grants sometimes have deadlines.

Mr. Marsico: We're always late on grant applications but this one we are okay on.

Mr. Hartwick: That is why I asked because most people come in with them through the office at 9:45 before the meeting.

Mr. Marsico: This one can wait.

F. Mike Yohe, Budget Director

1. Presentation of the FY2004/2005 Budget.

2. Post retirement update.

Mr. Yohe: Today is the day that we have advertised to make the fiscal year 2004/2005 Budget available for the 20 day public inspection period. This past Thursday, on June 3rd, we had a public budget hearing in which the five main players were in to discuss their requests for FY04/05. Most of the detail was gone over at the meeting. I have a summary in front of you today of what we are proposing to lay on the table. This document before me has the details line item by line item along with the summary page. We have nine funds that operate primarily from July 1 to June 30th. That coincides with the state fiscal year. These departments are mostly Human Service oriented. They need to report to the State. All of their reports required to the State are on that basis. Yes, we have our main budget as a calendar year but we do have to submit a budget to the State. We try to gear that as best we can with the County also. We are looking at a total about \$126,500,000 for next year. That represents a \$1.7 million increase over the current FY03/04 budget. We are about a 1.4% increase. The better news would be the second part of this summary. The County funds requested are actually only \$57,000 greater than the previous year or 0.69% increase. The second part is, each of these departments have some matching requirements, some are 100%, most of it is I would say maybe 80-90 to 100% covered by non-County sources. We had on Thursday, Aging, Children & Youth, Drug & Alcohol, MH/MR, and Weatherization in. I would like to point out there is a 107 Fund, it is a state fiscal year grant fund. That has about, I would guess about 30 grants that run on this fiscal year. Some of them have some County match requirements. The big one and if you look at the County match requirement there are two of the funds have increases. This is one of them, Children & Youth has one about 2.49%, \$167,000. The State Grant Fund has about \$62,000 increase. That's almost entirely a Juvenile Probation Grant that started about five years ago, I believe. That has not been increased. The funding is pretty level on that. When it was originally put together there were no pension charges include in it. The combination of the rapid growth in pension and the fact that the funding has remained level, it funds about sixteen positions. In Juvenile Probation, it's requiring more and more County funds every year. Steve and Jeff, we've had discussions on this and they are taking what

steps they can to minimize the impact on the general fund. That's why we are looking at a pretty big increase in that fund for that grant.

The HAZMAT Fund, you see a big decrease there. The County match requirement in that fund was always to fund two positions with their benefits. Beginning with the 2004 calendar year budget, we moved those two positions to the general fund since we were funding it entirely anyway.

That is the gist of the first page of the report.

The second page, I've laid out just a little pie chart to give you a perspective of how much money we are talking about in relation to the overall budget. Forty-four percent approximately comes from the Federal government, 45% through the State, 7% through the County, and 4% for other. And when I say other, it's mostly private sources, donations and that type of thing to the Human Service Programs.

The second chart is the expense breakdown. You can see the overwhelming majority of the expenses are provider services. We actually contract out to provide most of these services. We've got about 11% salary and benefit costs, 84% going out for those types of services.

Indirect cost, I threw that in there. That \$863,000 is money that comes directly back to the general fund of these expenses.

The final page is the, I always like to let you know what is included as far as new positions in these budgets. The only fund that has any new positions included is Children & Youth for next year. There are four positions. They are only funded for eight months with the understanding that takes about three or four months for the position to get up and running once the State approves it. You can see the total County cost would be about \$12,400 if those positions are approved. What would happen is today we would make it available. This document would be laid out at the receptionist desk for a 20 day public inspection period. Anybody can come in and look at it. It's scheduled to be voted on June 30th. We will approve it then. I'm open for any questions. Sandy Moore is in the audience and maybe some folks from Aging in case you have any questions that I can't answer.

Mr. Haste: Is there a motion to lay it on the table?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to lay the FY2004/2005 Budget on the table and make available for a 20 day inspection period.

Mr. Haste: Is there any discussion?

Mr. Hartwick: This budget summary and request summary are not without the fair share of potential pitfalls and big challenges to Dauphin County. While the plan looks great in presentation and while we are appreciative of the job that the department heads have

done in order to try to maintain a low increasing total amount requested from the County for next year, we've got some real big issues out there that we need to have in the front of our radar screen that could potentially cost the County millions of dollars. The biggest of which is the authorization of TANF from the federal government which we believe they are going to reauthorize the TANF funds which is the old welfare to work funds that are going to be reauthorized. The question is how is Pennsylvania planning on spending those TANIF resources. I've already started to take a pro-active approach in identifying the concerns along with the Commissioners and with our Chief Clerk. I've actually set up a meeting next week with our representatives who are representing us from a lobbying side as well as from the federal and state side to begin to talk about the discussions and the potential impact that it could have on Dauphin County's budget. Whether or not those monies will be reallocated away from our ability to use it to supplement Schaffner Youth Detention could be a huge hit to the Children & Youth budget in excess of millions of dollars. It is going to be critical for us to make sure that all of us are on the meeting edge of these discussions and get a contingency of central Pennsylvania delegation behind our support and our needs here in Dauphin County. We will also have some issues within the State budget in Children & Youth which as you know the Children & Youth budget is like a shell game with many moving parts and the actual State budget proposal is being considered right now. We have submitted I'm able to say an objection or protest to the amount that we have actually been allocated. We've joined several other counties in protesting the State's budget. We've submitted that in time for us to be able to work through those negotiations and also request additional funding. There are some areas that they have fallen short and without providing too much detail and giving that up by Commissioner Haste, we'll leave those for another discussion. As well as the Aging budget, we have had a significant impact. As a matter of fact a shortfall of about \$500,000 that we are currently working pro-actively under the leadership of our new director, Robert Burns, as well as the County Commissioners and the Chief Clerk. And I feel very good about the steps that have already been taken by that department in order to curb that shortfall. We've gotten a plan in place through the hardworking folk in Aging as well as the new director. I feel confident that we'll be able to identify ways to handle that budget and come in with a balanced budget for next year. It still is not without note that we do have a \$500,000 shortfall and no longer do we have a reserve fund to make up that shortfall in the Aging budget. With the increase in population, the demand for services, that is going to be one of the biggest challenges of next year to try to balance and present a balanced budget for Aging that's workable, that doesn't impact services. Like I said the numbers look great but are not without potential liability and shortfall. We're going to have our work cut out for us in making sure that we can live up to the numbers that are presented.

Mr. Yohe: One note to that, the Aging budget is balanced that is in here. They did provide a balanced budget. Like you said, it is a work in progress. On paper it is balanced.

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

All: Aye.

Mr. Haste: Motion carries.

Mr. Yohe: I have another item on the agenda. I want to have a brief discussion as all three of you are aware, many of the union contracts in the County currently have post retirement health benefit language within them. I don't know if any of them have 100%, maybe some do but most I think are a shared portion between the employee and the County. We've been in the initial stages of investigating the possibility of extending that maybe to the non-union people. In our efforts of digging into that we came across a change in the GASB statements. I understand has been approved. GASB 43 is going to require a different type of accounting for this post retirement health benefits. As right now, when a union employee retires, they just stay on our health benefits. We continue to pick up their cost. I think the wording they use in these statements is pay as you go which is perfectly acceptable and has been for government entities for years. But this changes, it gives us a two year window. We are going to now have to start treating these benefits as more or less similar to a pension plan where we have to give a study and figure out our future liabilities and actually set aside funds to fund whatever that number comes up to be in future years. What we are looking at is, in order for us to dig into that, I have no idea how much that money or what the potential impact could be. We're looking for direction or approval maybe to dig a little further even if we have to hire an actuarial firm to actually give us some preliminary numbers. We've had discussion with our actuary, Hay Huggins, already. He is familiar with it. We talked with Norm Pickering this morning and he can't start until July to give us anything because this is his busy time with the pensions. I guess what we are looking for is approval to actually maybe commit some funding and I not sure even what that would be without meeting with Norm. That is where we are at with this.

Mr. Haste: I think we have to. We can't do anything until we get that report.

Mr. Yohe: We are going to have to do it with the existing union contracts any ways.

Mr. Haste: This is GASB 34 not 43?

Mr. Yohe: This is 43. GASB 34 was the big accounting change that happened a couple of years ago. Like I said we are going to have to do this with the existing contracts. We don't have to have this done until December, 2006.

Mr. Haste: But we need to know that before we can move forward with anything else.

Mr. Yohe: Exactly. We can continue the pay as you go as we are doing it now for the next two years.

Mr. Hartwick: This question involved the topic last week. I want to find out because we keep getting hit with huge surprises from places and Commissioner DiFrancesco we talked about this last week from Spring Creek.

I want to know in each year when there is an audit performed and required and mandated by the State of Pennsylvania on the operations at Spring Creek. Do we have past audits that have been performed? The concern that I have is these numbers continue to grow. At the end of the year there should be an audit done by and I'm not an account or CPA, Lord knows I wasn't even great in high school math, but I do know that the amount of money that we place in from the County's perspective versus the amount that actually spent should be clearly noted in an end of the year audit. Now that audit when it is provided, who is that audit provided to at the end of the year? I guess ZA has a person that actually does an audit and provides that audit to....

Mr. Haste: It is a separate company.

Mr. Hartwick: It is under the same name.

Mr. DiFrancesco: Right under the same name but separate company.

Mr. Hartwick: Who is that audit provided to?

Mr. Yohe: The audit, I think comes into the Controller's Office which then distributes it the Commissioners, to myself, the Chief Clerk, and I'm not sure if the Solicitor's Office gets a copy of it. We send it out to a lot of outside agencies that require it also.

Mr. Haste: Even before that comes in there is a draft that is done that the departments are to respond to.

Mr. Hartwick: I'm just trying to figure this out. In previous years, we've talked about the amount of money that has been allocated from the County to Spring Creek and versus the amount that was actually spent at Spring Creek and that number has been something that has continued to rise as we get new reports and new information. From the audits that were performed and that information given to the County why is there such a difference in the amount of actual money that was spent versus what was actually allocated from the County and was that number very clear and listed in the audit reports?

Mr. Yohe: Yes, the number is clear. It's on those projection reports that I give to the Commissioners. You can see at the bottom the audit adjustments which are pretty much taken into account the excess funds that are transferred to Spring Creek. The way they have been accounted for is it kind of lends itself to, it is going to be paid back. For years it has been accounted for as a due back to the general fund. Almost like it is a loan but these funds have not been paid back and for years I have been asking, are we going to get this money back? It has become very clear, that no, we are not going to get this money back.

Mr. Haste: Since this has all come up and having looked at them, once you know what to look for you can find it. It is listed and they have listed it as, like Mike said, it is

money that is owed to the County. It doesn't say it is a cost overrun. It doesn't say it is over budget. They kept running this tab at the Manor that some day they would pay us back.

Mr. Hartwick: I guess the reason for my question, first of all I want to make sure that we are not in a situation with any of the oversights that we currently have. If those numbers were part of that report I was kind of wondering why it was only two weeks ago that the red flags really went up rather than 2002 since we have such a difference in the amount that was spent from the County side to the amount that actually was run up on the tab by Spring Creek. Why didn't somebody say, hey, this thing is really....we are out of control. I guess I could ask Marie if there was any indication at any time or Gary of that big difference and what we tried to do to curb that problem. I don't want to see that happening to any of the other departments.

Mr. Yohe: If I may, the red flag really went up last Spring when Commissioner Haste came on board and we started looking. I don't think we are going to get these funds back. It's been taken into account in our fund balance, those reserves or those payments have been reflected. There is no surprise in the fund balance. The only surprise to me in this whole thing was so far the potential hit on 2004 which we are still trying to figure out what that may be. There may not be anything there. In 2003 at that time we would have had the 2001 audit. The 2001 audit is where again showing the reserve is the due to. The general fund is climbing and climbing and climbing. What's happening? That's when we took the first step of....it lags about 16 months behind until we get the audit and we get into the next budget process. Like I said the red flag did go up and we took what we hoped was appropriate action for 2004.

Mr. Haste: The same questions should slap everybody. How did this come around? Mike and I talked about it and last year I talked about it at budget time...looking at it and seeing the numbers were off. Again it appeared that it was off \$3 million not \$5.5 million. At that point in time, when we looked at that they were running what we felt or at least I felt at the time was \$9 million. You've heard me say before that the nursing home was \$9 million over. That's where that number came from. I thought it was \$9.9 million. Mike seemed to think it was a little different number but in my memory it was 9 million. It's there and it surprised me that it went as high as it did.

Mr. Hartwick I guess I would say, if they are running this tab and the County's money is being spent out, they can't obviously purchase what they need for services and spend the money for operations without drawing down County general fund dollars, am I correct?

Mr. Yohe: That is correct. Any savings out there would be a direct savings ultimately back to the general fund.

Mr. Hartwick: It is a concern and I just wanted to find out exactly...again you talk about 9 million, I'm wondering where that is going in the future.

Mr. Haste: It's already 17.

Mr. Hartwick: 17, I heard reports of 22.

Mr. DiFrancesco: 22 was the number including what was actually budgeted.

Mr. Haste: Some of that we already knew. The budget amount you know.

Mr. Hartwick: I just want to make this clear in my mind. There was \$16 million dollars that went unbudgeted since 2000 on Spring Creek.

Mr. Haste: Since 1999, its 17.9 right? I think that is what you showed me.

Mr. Yohe: I don't have that in front of me.

Mr. DiFrancesco: Ball park you are right.

Mr. Hartwick: I'm just interested to see our budget process this year as it relates to what allocation we expect to reasonably accomplish to spend towards Spring Creek versus what actually was the program allocated fund. My concern was how does it become a larger issue now versus noting this thing in 2001 and beginning to address it and do something publicly.

Mr. Haste: Last year was an indication that there hasn't been a budget process for a while. There was a budget review not a budget process.

Mr. DiFrancesco: Obviously the first hand experience I have is working with the staff after the budget process. Not being a part of last year's budget process, I can tell you that based on the conversations that I have had with the directors out there it was a sham process. It was a completely fabricated process. The numbers were not accurate. The numbers were not real. The numbers were presented to paint a picture that was more rosy than actually what was going on. From what I can gather that was done by design.

Mr. Hartwick: Going through the first piece of this budget was helpful for Nick and I from this mid-year budget piece. We found out and we talked consistently about where we are falling short, how we are able to address these things, how we can jump on top of problems before they really exist. I'm just wondering why this stuff particularly with Spring Creek is such a slap in the face now versus managing it over the course of time and taking care of your responsibilities as a Commissioner to address those concerns particularly when there are overages.

Mr. Saylor: May I add a note in going forward here, I've had numerous discussions with ZA on this in particular but also in general I've noticed when they make their audit they do also give numerous recommendations. One of those was to form an audit committee that this Board had directed me to move forward in putting together. We are

in the process of doing that and working with Mr. Serhan, Mike and others to put this committee together. What the folks at ZA have told me, is I don't think any other county in the State has this number of businesses that follows this practice, but this is not necessarily creating another layer of government but what this is, is a committee that will review the audit and look a little bit more deeply into the audit and look for trends such as what was happening at Spring Creek and could therefore, maybe take that document and alert the Commissioners to things that might be happening. This audit committee might play a helpful role going forward and being pro-active and maybe keeping a watchful eye for the future.

Mr. Hartwick: I was aware of that and I'm glad you picked up Chad. I was thinking what steps are we taking from our administration and I'm glad you chimed in at the appropriate time. That's all I have.

Mr. DiFrancesco: As far as concerns about the budgeting for this year as well, the procedures....we are taking steps on two fronts. We are taking steps on the procedures obviously internally to correct and make absolutely certain that could never happen again. I said if it is at all possible and we realize that it is not, we want to put procedures in place that no administration going forward can repeat what happened in this facility. Secondly, and just as important is what is being done inside the building to make certain that, that now \$7 million need which has now been exposed next year is reduced and reduced and reduced so that at some point we get back to where that building is operating as it should be operating and that is if not budget neutral, real close to budget neutral. The bottom line is that the biggest flaw out there has been management. I do believe based on everything that I've seen we can get it down to very close to budget neutral with a good solid manager out there running the building, training the people, and keeping on top of how the money is being spent. That was not being done in the past.

Mr. Hartwick: But \$16 million is a whole lot more than just management.

Mr. DiFrancesco: And I think it was Commissioner Haste who said it last week best and that is, for maybe five or six years, every other department head in this County had to sacrifice, had to operate on a shoe string budget and all the while that was happening, you know you can't buy a computer but you can spend \$22 million over six years or whatever it is, to basically run ramped, spending money that's unbudgeted. It's a bad scene and should never be repeated again.

Mr. Yohe: I have one final note, I'm meeting at 1:00 with Kevin Koble from CHR to go over the 2004 numbers. We should have a pretty good idea how 2004 is shaping up.

Mr. DiFrancesco: One of the benefits now through ZA and now with CHR, there has been so much attention paid to the business office and where we are financially because quite honestly, with them coming in now to manage the building they want to know a good starting point. They want to know where they are beginning this process because we all know the building is in dire need of repair. But everybody wants to have

a base line so they know how they are performing over time and what true benefits they are bringing to the table. There has been a lot of scrutiny over the budget. That's why I believe some of the stones were overturned again. Although I've got to credit Mike because even with all the consultants in the building trying to scamper through and figure how the procedures were and what the numbers were, I think it was really Mike who identified the impending problem with the additional \$2.5 million.

Mr. Hartwick: That's scary.

Mr. DiFrancesco: It is.

Mr. Hartwick: I hope when you said problems with the building, I hope you mean not with the facility itself that's brand new and just being constructed.

Mr. DiFrancesco: I will reserve comment on that. If we have any more sprinkler heads going out on us the bill is going to get very, very high very, very quickly. We're still evaluating the building. All I can say and absolutely for the record, the quality of care is greatly improved and very good. I think that has to be utmost concern. If we going to be in the business, we better make darn certain that we are taking care of the people that are living in the facility. Right now I don't have a question at all regarding the quality of care.

Mr. Haste: I don't think there is but is there anybody here from the Greater Middtown Economic Council? (There was none.)

ITEMS FOR DISCUSSION

- A. Construction contracts between Dauphin County and Shannon A. Smith Company to provide the following construction services for the Dauphin County Material Recycling Facility:
(**A VOTE IS REQUESTED 6/09/04)**
 - 1. Contract No. 2 - Electrical
 - 2. Contract No. 3 – HVAC/Plumbing

- B. Approval of a Family Center (FC) Grant for FY04/05 between Dauphin County Children & Youth Agency and PA Dept. of Public Welfare.
(**A VOTE IS REQUESTED 6/09/04)**

- C. Appoint Robert P. Wentzel, Dauphin County EMA Director, to the Local Emergency Planning Committee (replacing Mike Wertz).
(**A VOTE IS REQUESTED 6/09/04)**

- D. Approval for renewal of a Cooperative Grant Agreement between Dauphin County Area Agency on Aging and PA Dept. of Aging. effective July 1, 2004 through June 30, 2006 in the amt. of \$10,730,158
(*A VOTE IS REQUESTED 6/09/04)**

- E. Approval for renewal of an Over 60 Medicaid Waiver Agreement between Dauphin County Area Agency on Aging and PA Dept. of Aging, effective July 1, 2004 through June 30, 2006 in the amt. of \$440,142.00.
(*A VOTE IS REQUESTED 6/09/04)**
- F. Approval of a Pre-Expenditure Plan Homeless Assistance Program Assurance of Compliance.
- G. Pennsylvania Commission on Crime and Delinquency (PCCD) Grant-Continuation of Subgrant No. 2000-DS-16-012308, The Program for Female Offenders, Inc., in the amt. of \$49,857.89.
- H. Letter Agreement between Dauphin County and ZA Consulting, LLC, for the purposes of preparing the annual Medicare cost report and Medicaid cost report for FYE December 31, 2003 at Spring Creek.
- I. Approval to pay the City of Harrisburg in the amount of \$4,799.68 for the PHEAA PILOT Agreement.
- J. Amendment to FY03/04 Budget for Dauphin County Area Agency on Aging to be submitted to PA Dept. of Aging.
- K. Patient Transfer Agreement between Spring Creek and Pinnacle Health Hospitals ("PHH").

Mr. Haste: I see we have requests for a vote on A, B, C, D, & E. I'm not sure why C needs to be done today but we can do that.

Mr. Saylor: If I may, you know the passing of Former President Ronald Reagan has affected me deeply. However, it also has appeared that it has affected my work product. There is one very important item which should be included and I would ask for a vote today and that is the contract, the Management Services Agreement with CHR for Spring Creek. The Solicitor's office have reviewed that. You should have a copy of it. Chip Vance did a very thorough job. I believe it is my recollection that the folks at CHR invited us to review the document and make whatever changes we felt necessary. We have done that. You can see the edits in the document itself. They do not change the agreement substantially but it places us in a more favorable light in this agreement.

The other issue is Item K, which is the Patient Transfer Agreement between Spring Creek and Pinnacle Health. It is a very standard form that was to be in effect the 1st of this month. The Solicitor's have reviewed and approved it. I ask that you vote on that today as well so that we can get that into place.

Mr. Haste: Chip, have all the concerns that we raised been addressed?

Mr. Vance: Yes.

Mr. Haste: Satisfactorily?

Mr. Vance: What was done in accordance with and I went through the agreement in its entirety and deleted those provisions or proposed provisions which were injurious to the County. This was reviewed not only by myself but by all the staff, the Solicitor's Office during the course of our workshop meeting. It was proposed that after having made the deletions from the proposed agreement that we would sign it and then present it to them. And if they had any remaining issues, I'm sure they will advise you of them.

Mr. Haste: Okay, we are going to take their contract, modify it, sign it...

Mr. Vance: We already have modified it.

Mr. Haste: And then send it back to them.

Mr. Vance: That is correct.

Mr. DiFrancesco: Does the contract speak at all to the point that if the facility would find itself back in hot water with the Department of Health, is the County protected in terms of being able to change management if in fact that is our read on it that we need to do that? My expectations are that will never come into play. I just want to make sure the protections are there.

Mr. Vance: That is if you as the County were not to abide by the pertinent laws you would likewise have that coverage.

Mr. DiFrancesco: That's fine. I just wanted to make sure that coverage was in there for both sides.

Mr. Hartwick: Not seeing and not reviewing the contract, could you just summarize briefly some of the provisions that were injurious to the County? I have not had a chance to review the contract at all in order to vote on that. I would like to become familiar with those.....

Mr. Tully: Most of them were boiler plate. For example, if there was to be litigation under the contract for breach or any other remedy, they had dictated that we would have to go to Montgomery County in order to pursue it. We obviously wanted it on our home venue as we do with every other case. A lot of it was call a testify, he basically said they put that stuff in there and no one ever seems to take it the way they get it. There was just a lot of provisions that were kind of one sided. We restored the balance to it by simply making sure that we both had remedies if something went wrong. Most of it was cross outs, simply deletions of provision as opposed to adding any.

Mr. Hartwick: I was absent the day they presented so I'm a little bit on the.....

Mr. Tully: We actually requested the Minutes to be transcribed to make sure our recollection was correct and they basically invited us to mark it up and send it back

which is exactly what we are doing. There is nothing as far as the dollars and cents. Purely the boiler plate on legal remedies and what to do in case of breach.

Mr. Hartwick: I see the Management Service Agreement....what were the dollars and cents, if I could just get that clarification?

Mr. Haste: \$24,000 a month.

Mr. Hartwick: \$24,000 a month. We're all okay with that? What was ZA in contrast?

Mr. Saylor: I'm no expert on this but this is not just for one person. They do supply staff. A lot of the cost particularly with ZA was that they were providing us staff while we were trying to hire people, hire nurses and staff. While we were hiring those, they would provide us with staff.

Mr. Hartwick: And we are in position to move forward without that staff that ZA provided?

Mr. Saylor: Yes, that is correct. If you noticed in the personnel packets, we've been doing a lot of Spring Creek things.

Mr. Hartwick: ZA, I had asked last week that they come back and provide a summary of their services that they provided and the amount that they have actually recouped the County that they had talked about with reimbursement with management fees. I would appreciate if we could place that on an agenda before we close out their contract to make sure that they review and let us know from what they presented what they actually recouped for Dauphin County. I want to make sure that is part of this.

Mr. Saylor: Commissioner, you can trust me, I met with them and reviewed, they did come up with a third quarter report and they made some recommendations which we have been trying to implement out there as well. I'm sure it is something that we could do.

Mr. DiFrancesco: The bottom line is not so much that.....I think what we are able to find is, they have been able to identify a number of areas that we will continue to work on to bring these costs underline based on the information that I have seen. There is no way that they have recovered all of their costs. The proposal was on the table and there was not enough time to implement everything. So that is basically what we are looking at, is they started to overturn the stones, they started to point out the problems, obviously, as I said before the quality of care was their immediate concern and they covered that base very soundly. But in terms of them in four months instituting all the changes necessary to recover their costs, that didn't happen.

Mr. Hartwick: What is the transition plan between CHR and ZA in order to make sure that they continue to move down the veins of those recommendations to recoup those resources and has that conversation occurred?

Mr. DiFrancesco: Actually it was built into the contract. It didn't even have to occur because more or less what happened was CHR was working hand in hand with them throughout this process and now CHR ramps up. They are very familiar with everything. As a matter of fact, they were part of putting the plan together. So they are intimately familiar with the changes that have to take place and as Chad mentioned, I believe he already sat down with Roberta once to start moving much more aggressively in wake of the \$2.5 million bomb.

Mr. Saylor: Yes.

Mr. DiFrancesco: I said there is a transition process where you have the leisure of maybe moving things a little bit more deliberately so that it's not a great disruption to the facility and then you come to the point in time where you realize that your budget....you just have to move. We are at that point now where we just have to move.

Mr. Hartwick: I would like to thank Chairman Haste for allowing us to have this conversation which may not be exactly germane to the acceptance of this contract but I have one final follow-up. With CHR, we said that some of the problems were they weren't providing us with accurate....

Mr. DiFrancesco: The facility was not.

Mr. Hartwick: For us now in the future as we move forward to recoup these resources and start to make budgetary decisions, are they going to be of the responsibility of this Board based upon the reports that are presented or are we going to be making administrative decisions or is CHR going to be doing and taking those management steps and are we just going to be kept informed through these reports?

Mr. DiFrancesco: Yes, more or less what will happen going forward is we will be treated....actually we can decide how we want to be treated. The way they presented it we will be like a Board of Directors to this business. That is how it is set up. They will operate on a day to day basis. They have the role of the CEO. They will provide us with the information. We need to evaluate, check the health of the building and make sure everything is on track. But we are the ones that will hold them accountable and ask the questions based on the reports that they are giving us. Those reports will be very comprehensive. It will be financial. It will be quality of care reports. When someone for CHR team walks into that building say from an engineering standpoint or an environmental standpoint, and they do their building evaluation, they are going to come back to us and say this is what we looked at, these are the problems you have to address. So again this Board can sit back and so okay going forward if it is a roof that needs repaired, if it is a boiler that needs repaired, if it is a cooling system that need repaired, whatever it might be, we can begin to build that capital plan that we don't have right now. So it is like not every emergency is hitting us in this year's budget but we can actually plan to do things to keep that building running. Every aspect you look at, they

are going to be walking into dietary, if they do a review of dietary we're going to get a report back on that. So we can see how the building is operating.

Mr. Hartwick: I'm more concerned on a basis of recouping Medicaid reimbursements, outstanding bills, and all the things that were listed by ZA as ways to recoup the \$16 million that we spent out there that we may be able to have a direct affect on the County's general fund budget. How are we going to maintain an accurate report on how successful they have been in recouping those resources?

Mr. DiFrancesco: Quite possibly one of the most significant changes out there is under the new administration you will not be able to live there for four or five years without paying us a dime. Somebody will be watching to see what is going on. They will put in an affective plan to receive payment and if they don't receive payment they will institute the appropriate steps to basically move people out of the facility. Likewise directors will be held to higher standards. They are going to know what their budget is. The budget is going to be sound. They are going to be expected to keep within their budget. Overtime again has been capped to a large degree with exception of the nursing area. Which is still the big question mark, in getting that management of your staffing levels that has to take place but in terms of maintenance, and whole slew of areas where overtime was just being used more so than it should have been, that's been under control. The way the staff is used. All those things have been brought under control for the most part under the ZA contract. They will continue to get tighter under the CHR contract. But we are going to see I think very real numbers in savings out there but when I say that, I'm saying savings out of the \$5.7 million over budget. That's what they are going to be doing. They are going to be paring that number down. By no means are we out of hot water.

Mr. Hartwick: That's why I want the ZA folks in here just to give us a summary of where they are at. I would like to at least talk to CHR about how they plan on going about how to recoup because I was so on ZA even with that big ticket when they said, here is the amount of reimbursements and reimbursable and that was a real justification for us to go ahead out and expend that resources. If you could grant that opportunity for us here at a public meeting, I would greatly appreciate it.

Mr. DiFrancesco: So you are asking ZA to come in and sit before the Board and give that report.

Mr. Hartwick: Just a final report.

Mr. DiFrancesco: Actually Chad, could you set that up?

Mr. Saylor: It would be my pleasure. I hate to change the subject but there is one other item that has been brought to my attention. We have the depository bank resolution with Commerce Bank. It is prepared and ready for your approval. I guess the question is would you like to wait until next week to do that?

Mr. Haste: Is there any reason to do it now? Do you need it this week, Mike?

Mr. Yohe: The sooner it is passed. Right now they are paying a little bit less than the other two options.

Mr. Haste: Your report last week had them third. We'll do that next week. We have Items A, B, C, D, E, K, and now L which is CHR contract for Board approval. Is there a motion to approve?

It was moved by Mr. DiFrancesco that the Board approve Items A, B, C, D, E, K, and Item L.

Mr. Haste: Is there a second? George will you second?

Mr. Hartwick: I'm going to reserve my vote on L.

Mr. Haste: Okay, so we are now just going to vote on Items A, B, C, D, E., & K.

Mr. Hartwick: I'll second it.

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

All: Aye.

Mr. Haste: Motion carries. Is there a motion to approve Item L, the contract with CHR?

It was moved by Mr. DiFrancesco and seconded by Mr. Haste that the Board approve Item L, the contract with CHR for Spring Creek.

Mr. Haste: Any further discussion?

Mr. Hartwick: Just that I will be in a position to approve this in the future, I just need to have a little bit more about the transition plan.

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

Mr. Haste & Mr. DiFrancesco: Aye.

Mr. Haste: Opposed?

Mr. Hartwick: No.

SOLICITOR'S REPORT

Mr. Haste: Is there anything you need to bring up Bill?

Mr. Tully: No, but I'm ready for any questions.

CHIEF CLERK'S REPORT

Mr. Haste: Chad do you have any comments?

Mr. Saylor: No.

COMMISSIONERS' COMMENTS AND DISCUSSION

Mr. Haste: Is there anything else that needs to be brought before the Board?

Mr. Hartwick: I do have one thing to bring up. I wanted to thank all the folks including Sandy Moore, Helen Spence, and other County employees for bringing in the International Conference of Family Group Conferencing. It's been a huge success. There were 700 people in attendance from seven different countries. Commissioner Haste gave great remarks at lunch as well as Judge Lewis and Judge Hoover to really note the great accomplishments in this field. We have been recognized by countries like New Zealand, Canada and other states throughout the country. We also obviously have been leading the state according to the Secretary Department of Public Welfare in this practice and we deserve a great deal of recognition to the folks who have been working diligently in this area. Thanks.

PUBLIC PARTICIPATION

Mr. Haste: Is there anyone in the audience that would like to address the Board at this time? (There was none.)

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn?

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

Transcribed by: Julia E. Nace, Assistant Chief Clerk
June 9, 2004

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff

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