



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**COMMISSIONERS' WORKSHOP MEETING**

**WEDNESDAY, JULY 7, 2004**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Robert Dick, Treasurer; Diane McNaughton, Press Secretary; Richie Martz, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Lena Martinez, Veterans' Affairs; Randy Baratucci, Purchasing Director; Mike Yohe, Budget & Finance Director; Gary Serhan, Deputy Controller; Kay Sinner, Personnel; Faye Fisher, Personnel Director; Sharon Way, Personnel; Noel Falk, Special Projects Coordinator; Barry Wyrick, MH/MR Administrator; Steve Suknaic, Juvenile Probation Director; Jeff Patton, Deputy Director for Juvenile Probation; George Connor, Economic Development; Steve Howe, Tax Assessment/Tax Claim Director; Mary Bateman, Tax Assessment; Dave Schreiber, Personnel; Terry Haines, Economic Development; Ed Chubb, Parks & Recreation Director; Tom Guenther, Information Technology Director; Robert Knupp, Esq., Assistant Solicitor; Edgar Cohen, Facility Maintenance Director; Carolyn Thompson, Court Administrator; Dan Robinson, Economic Development Director; Deborah Clayton, Grant Writer; and Julia Nace, Assistant Chief Clerk

**GUESTS PRESENT**

Tim Whelan, CACH; David Twaddell, Rhoads & Sinon; Dick Michael, Eckert, Seamans, Cherin & Mellott; Gary Lenker; Omar Syed, Dauphin County Planning Commission; Bob Schopfer, Brinjac Engineering; Angela Smith-Aumen; Peter Carlucci, Esq., Eckert, Seamans, Cherin & Mellott

## **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 address at next week's meeting.

### **TEFRA HEARING**

(The Minutes of the TEFRA Hearing are on file in the Commissioners' Office.)

### **PUBLIC PARTICIPATION**

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

### **PERSONNEL**

Ms. Sinner: In the packet we have several Salary Board items. Do you have any questions on any of those?

Mr. Haste: Marie, did you get your packet?

Mrs. Rebuck: Yes, I have it.

Mr. Haste: Why are we doing promotions in the middle of the year?

Mr. Saylor: Is that for the District Attorney?

Mr. Haste: No, it is for a law clerk I to a law clerk II for D. J. Judy.

Ms. Sinner: Apparently, I don't know why it is being done. They don't have a legal clerk II in that office. They feel she is doing the work of a legal clerk II.

Mr. DiFrancesco: Is there a standard policy on that or normal operational procedure?

Mr. Haste: We normally do it with a budget cycle.

Mr. Saylor: If I'm not mistaken, is this the one where we are eliminating a part-time to create a full time?

Mr. Hartwick: That is in D. J. Shugar's office. This one is in D. J. Judy's office.

Ms. Sinner: We are eliminating her legal clerk I position and promoting her to a legal clerk II. It is a small office. She's really doing more work than an legal clerk I would normally do.

Mr. Saylor: I think Carolyn has some comments.

Ms. Thompson: What Kay says is correct. The Judge is backing it. There is normally a legal clerk I, II & III. But there is no clerk II in the office. The District Justice Judy requested that the employee, who has been there for over a year and has been working at a level II, be promoted because she is doing some of those duties.

Mr. Haste: Was this promotion budgeted?

Ms. Thompson: No. But we have had several vacancies that would carry the cost of the promotion. It would not cause the district justice's budget to go over in any way.

Mr. Haste: Are there any questions on the salary board items?

Mr. Hartwick: I would echo Commissioner Haste's comments. I don't know if this sets a good tone to have an employee move forward and suggest they want a promotion and then it appears in the salary board requests in the middle of the year rather than at budget time. It seems a bit strange. I don't know if it sends necessarily the right message if we approve this. How many other folks who want to come forward and say that they are doing the work of someone else and ask for them to receive a promotion mid-way through the budget cycle. I have a few questions. Maybe I will be able to talk to Carolyn after the meeting to find out a little bit more about the procedures.

Mr. DiFrancesco: From a general perspective and policy, the issue I have is, if it is not budgeted especially given the current environment, it really shouldn't be asked for especially at a time when we are talking about the possibility of layoffs over the horizon to accommodate the budget. The one thing that every department needs to understand is, if it is not in the budget it is heavy lifting to get it done. We had some other issues for some positions that weren't budgeted for this year and now it is being said that they are critical. Those types of oversights in the budgeting process cannot continue to happen. If this was a position where, it had been budgeted and a vacancy occurred and we were moving somebody into a budgeted position, I would have no problem at all. If in fact, it is an unbudgeted position and the other point of importance is the fact that we are using

vacancies at this point to control budget problems. Saving money in one pot and that money is already accounted for to handle the deficit that we are running. It is not good enough in this budget condition to say we saved money here so now we can shift it over here and use it someplace else. It can't be taken for granted that's what is going to happen. I have an issue with that unbudgeted portion of it.

Mr. Haste: We'll try to get some of those answers by next week.

Ms. Sinner: On the vacancies listing, there are several including vacancies approved by the President Judge. Are there any questions on those?

Mr. Haste: Are there any questions for Kay?

Mr. Hartwick: We didn't have a lot of time to review this.

Ms. Sinner: Sorry you didn't have more time to review it. The computer problems slowed us down.

The new hire listing, item #10 can be pulled. Do you have any questions? (There were none.)

We also have the changes listing. There are some transfers. Some of the vacancies that are listed, people are being transferred into those positions as well as some being filled with new hires.

I have overtime reports and that's it.

Mr. Haste: Are there any further questions for Kay? (There were none.) I suggest we all look at these very closely before next week.

## **PURCHASE ORDERS**

Mr. Baratucci: You should have all received your packet yesterday. It is a very small one this week. There are no special items or add on's or anything at this point. We do have a couple of budget issues which will be adjusted before next week. If you have any questions, I'll address them now. Otherwise it is there for next week.

## **TRAINING PACKET**

Mr. Saylor: Just for your information, we have the training packet. There are ten items and nothing needs approved today.

## **DIRECTORS/GUESTS**

- A. *Mike Yohe, Budget & Finance Director; & David Twaddell, Esq., Rhoads & Sinon*
  - 1. *Adopt Resolution No. 17-2004- approving First Supplemental*

- 1999 Bond Retirement Agreement. (\*\*\*)REQUEST VOTE ON 7/07/04)*
2. *Brown, Schultz, Sheridan & Fritz to provide verification agent services for escrow restructuring.*
  3. *Rhoads & Sinon to provide legal counsel services for escrow restructuring.*
  4. *Public Financial Management to provide Swap valuation services for escrow restructuring.*

Mr. Yohe: I have a couple of items on the agenda this morning. In May we did the large debt restructuring and within that restructuring it involved some setting up of escrow accounts to retire the old debt. All these escrow accounts were in a position where they were earning less interest than what the bonds are that they are retiring. Therefore, there is an opportunity to gain some financial status for us when interest rates rise. We contracted with Image to perform those duties for us. They authorized a restructuring of one of the escrow accounts that is due to settle tomorrow. David Twaddell is here to review the resolution to authorize that transaction.

Mr. Twaddell: The process that you engaged Image to undertake is primarily to manage the escrows that are funded with the so called SLG securities. These are the special state and local government series securities issued directly by the United States Treasury to local governments who are doing refinancing. They provide a unique opportunity because escrows that are funded with fixed yield securities, treasury bonds, notes, etc. once purchased those fixed yield securities have fluctuating market values. Just at the time you would be attempted to sell off those securities and acquire more high yielding securities in these escrows, you'll find that the market value of those securities has fallen commensurately and you're not able to take advantage in rising interests after these escrows are restructured. Unique to the SLG program with the United States Treasury is that you are currently permitted to redeem the SLG's at par and re-subscribe for SLG's at higher interest rates. So the ongoing program and the monitoring that Image will be doing will be looking for intraday opportunities, shifts in the yield curb that will create that opportunity to sell off existing SLG escrows and acquire higher yielding SLG escrows without the loss of market value. One of the escrows created when we did this for the 1999 bonds was funded with treasury notes and interest trips rather than SLG's. That was simply because at the time that was the best and highest yielding investment for that escrow. In order to put the 1999 bond escrow into play, Image has already engaged in the sale of those treasury notes and a subscription for replacement SLG's. This came up a little quickly and it was simply because they took advantage of some market activity that I think was falling on the heels of the last fed increase where the market had some price increases in and you had a sort of an anomalous situation where they were able to sell off the existing treasuries and subscribe for SLG's. Actually the net result will be something a little more than \$20,000 to the good even after paying expenses. The primary objective was to move that escrow into SLG's so that it would be available to take at the opportunity of going forward. We would of thought that you would do that at a minimal loss. In fact, the market has created a one time opportunity here to do that and actually make \$20,000 on this particular trade. That's the reason this one is before you this morning. It's to tee up that escrow to join the others to be available. The expectation would be that perhaps in August and September there would be SLG trades that you would be approving. This resolution is to sell off the open markets the 1999 escrow, replace it with SLG's. That transaction will also net the County about \$20,000 and create the opportunity to do this sort of cost free SLG trading in the future.

Mr. Haste: I understand in talking with Mike that actually we'll need to take Board action every time we do one of these.

Mr. Twaddell: You will, and a thought has occurred to me as I sat here this morning. I know that the next item on your agenda is sort of approving the team and moving forward. If it would be your pleasure, I would be happy to prepare a resolution for your adoption at next week's meeting which would essentially authorize the Chairman and the Chief Clerk to execute the appropriate amendments to the underlying escrow agreements so that this would not have to come back for full Board approval each time.

Mr. Haste: My only concern would be as the market moves, us making sure that we have the flexibility to use their expertise to take advantage of the market when it occurs.

Mr. Twaddell: Right.

Mr. Haste: I understand one day could be great and the next day not so great.

Mr. Twaddell: Absolutely, even during the day there are moments. Frankly when I got the call last Friday, that he had executed these trades to settle on the 8<sup>th</sup>, my first thought was, I don't even know if we have a Commissioners' Meeting that we would be able to approve this. We could have ratified it but fortunately this meeting is available. You are right, going forward it is entirely possible that the opportunity will arise between meetings. Again this program will always be to make money for the County. So if the Board feels comfortable, we can prepare a single resolution which will authorize you and Chad to sign. It will relate to just these existing escrows and the trading that you already engaged Image to do.

Mr. DiFrancesco: My question goes back to the fee structure. You said we would pay an up front fee and then not have to pay a fee down the road ongoing?

Mr. Twaddell: Each time there would be an escrow amendment you'll have to pay a verification agent fee and a legal fee because their options are required each time escrow securities are substituted. You are also paying Image a fee for the structuring which is a fee that I think you have already approved.

Mr. DiFrancesco: The structure of the fees are such that the County would benefit under all of these transactions?

Mr. Twaddell: Yes.

Mr. Haste: I would see no reason not to do it. Taking out the fees we would still be making.....it is the only reason to do it.

Mr. Twaddell: Just so you are aware, this opportunity is one that is entirely market driven. There have been long periods where we have not done this because the opportunity has not been available. We are in a generally inclining interest rate environment. We would expect you to have the opportunity to take advantage of that. The IRS did announce at the beginning of the summer that they have asked the Treasury to modify the regulations to essentially inhibit or prohibit this kind of after escrow trading. Not because they consider that there is anything wrong about it under the tax code. I think it is more a matter that the SLG program was designed to enable local government issuers to comply with the arbitrage regulations. There are a certain number of people at the Treasury who administer it. They are in the business of sort of a one time escrow set up. This is ongoing trading in these escrows. I think they just concluded that they are not in the hedge fund business. Even though they are happy that you are able to earn what you are permitted to earn, they just don't want to be in the banking

business, if you will. This opportunity may go away sometime in the fairly near future because of regulatory change. We don't know when that will happen. The regulatory process is not typically very swift but we do know that they have announced that they plan to close down this kind of post creation escrow trading in SLG's.

Mr. DiFrancesco: So is Images' fee defined by their activity on our behalf?

Mr. Twaddell: Yes, they are charging a percentage of each trade.

Mr. DiFrancesco: So we would be guaranteed to have their continued attention that when the market is available.....

Mr. Twaddell: Yes, they don't make money unless you make money. We would ask your consideration on the Resolution for the 1999 Issue this morning.

Mr. Haste: Do we have a motion to adopt Resolution No. 17-2004?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board adopt Resolution No. 17-2004 approving First Supplemental 1999 Bond Retirement Agreement; motion carried.

Mr. Haste: I think you ought to if you can get together with Bill and find a way that we could be flexible enough to take advantage of whenever the market indicates.

Mr. Twaddell: I'll do that.

Mr. Yohe: Items two and three relate to this, naming of the financing team. We may be a little out of order. You guys voted for Image a couple of weeks ago. We have Brown, Schultz, Sheridan & Fritz to do the verification and Rhoads & Sinon for the legal. I'll ask for that vote next week. I have an agreement with Brown, Schultz that they would like signed.

The fourth one is separate. This is with Public Financial Management. We are required to do Swap valuation reports at the end of every year. I have an agreement authorizing them to move forward with that work. We get a report at the end of December.

Mr. Haste: You will have that next week also?

Mr. Yohe: Yes.

Mr. Haste: Is there anything else? (There was none.)

*B. C. Peter Carlucci, Esq., Eckert Seamans*

*1. Resolution – Tax Increment Financing for the East Mall.*

Mr. Carlucci: I'm here today to review with you a resolution that will be on your agenda next week for action. This is a resolution to formerly create the Tax Increment Financing district which comprises what is commonly referred to now as the Harrisburg East Mall. It will be the home of the new Bass Pro Shop. You may recall that in March, you conducted a public hearing inviting public comment with respect to the proposed creation of the TIF district. I appeared before you at that time. There were no public comments that had been received either orally at

the hearing or subsequently in writing. By creating the Tax Increment Financing district it will give us the ability then to establish the base assessment value because as you will recall, the incremental tax revenues resulting from increased assessed value from the improvements will provide a stream of revenue for a period of time not to exceed twelve years which will be used then to fund a \$3 million borrowing. The \$3 million will be going into the project improvement costs. That is the essence of the resolution that is before you today. It does contain a number of legislative findings which are all consistent and required under the Tax Increment Financing Act. All of them we believe to be true and correct.

Mr. Haste: Any comments or any more discussion with the other two governing bodies, the local government and the school board?

Mr. Carlucci: Prior to the hearing, we received resolutions from Central Dauphin School District and the Township of Swatara, both approving and agreeing to participate in the Tax Increment Financing District. They are onboard.

Unfortunately, I cannot be with you next week or your next meeting when the vote is to be taken. So I wanted to appear today and respond to any questions or concerns that you may have.

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

C. *Gary Lenker*

1. *Report on housing in Dauphin County complied by the Affordable Housing Board.*

Mr. Lenker: I have with me Angela Smith-Aumen who is a board member of the Affordable Housing Trust Fund. I think most of you know that I serve as Chairman.

We wanted to take the opportunity to update the Commissioners and enlighten you on what the Trust Fund Board has been doing in the last year and half. As you know, we serve as an advisory capacity and a recommending board to you, the Commissioners, on the use of the Act 137 Funds, those recording fees that are set aside and designated for affordable housing efforts here in the county. With changes that have occurred in the 2000 census, the county receiving an urban designation, there were increased resources that have come to the County for affordable housing efforts. A year and a half ago, our board felt that it was important to develop a strategic plan and a list of recommendations that we could pass onto you, the Commissioners, for the use of this money in expanded areas. I assume that you all have received the report.

One thing that I will mention with our Board and I know I have had the opportunity to share with the Commissioners on an individual basis, we do have a very diverse group, a good wealth of knowledge with the Board members. In fact, Angela, who currently works with the state system of Higher Education had worked for ten years as a Deputy Director for Housing for the City of Harrisburg. We do have a good group and offer you the best inside.

What we did was utilize the services of a housing consultant, Mulligan & Lonergan, about a year and a half ago that basically did a housing affordability and condition review of the county. We then took the county's consolidated plan which is required for the HOME and CDBG monies, which involved a lot of public participation. We also took the housing portion of the county's comprehensive plan which is currently being revised but we utilized that portion that was

currently in place. We took existing county documents along with the housing study by Mulligan & Lonergan and came up with these needs and the assessment that we are providing for you. I draw your attention in the report to the funding areas for the Affordable Housing Trust Fund. These are really the recommendations that we are offering to you, the Commissioners, not only continuation of the down payment and closing costs assistance program with credit counseling for homebuyers. We are preparing guidelines to prevent predatory lending. We implemented a component of the down payment and closing costs assistance program for developers to apply for set asides, for specific new construction or rehabilitation developments with higher loan limits and other flexible terms. We would suggest that we issue an RFP to seek those proposals.

Secondly, we do find that there is a great need for seed money for developers of affordable single and multi-family housing projects. The at risk development costs, including site purchase options, architectural engineering, zoning reviews and similar costs, including administrative costs of designated community housing development organizations, otherwise referred to as CHDO's. Again we would request issuing an RFP to seek those proposals.

Third, continuation and modest expansion of the Dauphin County Rental Assistance Program which currently assists families needing emergency shelter transitional housing programs.

Lastly, investigation of the creation of a Home Funded Tenant Based Rental Assistance Program administered by the Dauphin County Housing Authority to address the current Section 8 waiting list.

Those are the key recommendations that we are offering to you. I would at this time entertain any questions that you may have. I appreciate the time that you have provided to us and at some time would hope for the endorsement of this document by the Commissioners.

Mr. Haste: I have a technical question. I know in reading this report and something else that I received this morning, maybe it is one of your projects coming up. I've seen a term that I think I know what it means but I don't want to assume that and it's called "infill". What are you referring to when you talk about "infill"?

Mr. Lenker: Infill project is typically utilizing resources in an older community to deal with blight in any community that would tear down existing dilapidated structures and rebuild.

Mr. Haste: Build new within.....

Mr. Lenker: Build new within an existing community or where there is vacant land within an existing community.

Mr. Haste: Okay.

Mr. DiFrancesco: Right now it seems like all the housing communities that are going up are \$250,000 - \$300,000 and up. The numbers keep getting higher and higher. We also have a number of low to moderate income housing development coming into different communities. It seems like a first home gap. Nobody is out there building those modestly priced homes for the first-time home owners. It is almost like you have to rely on the infill to make it happen. Is there money available or are there even contractors out there that look at those existing neighborhoods? Can they access money for redevelopment? I don't know if you are familiar, I'm looking in my back yard, homes that were constructed back when the military bases were in high swing. Basic homes, nice homes, most of them two bedrooms, they would be entry level

type homes for the most part. If we had people who wanted to go back and make sure that the stock of modestly priced homes were available for first-time homebuyers, is there money available for those people to go out and sort of access, redevelop and then turn around and sell within a certain price limit?

Mr. Lenker: Yes, there is. In fact, one of the other boards that I serve on is the Pennsylvania Housing Finance Agency and that has been an initiative of that state agency and really has been endorsed by Governor Rendell. It is a program called Home-Ownership Choice. It is where you actually have funds available to do whatever is needed to protect housing like you are talking about and other type of infill housing.

Mr. DiFrancesco: Is that a line of business that people go into? There are folks that actually get involved with the low to moderate income housing developments. Of course, most contractors build the upper end. Are there people out there that actually do make their line of work the redevelopment of the existing housing stock?

Mr. Lenker: Absolutely.

Mr. DiFrancesco: It seems to be that there is a market that I haven't seen. It is not obvious that people are out there doing it.

Mr. Lenker: I think we will see that with the amount of state resources being designated in this area. You'll probably see more and more industry professionals getting into it.

Mr. DiFrancesco: So that is becoming more of a.....that is something that I would like to work on because I still think that when it comes to our tax base, we have to make sure that we are preserving the homes and not letting our neighborhoods basically run into the ground while people are looking at these new and bigger homes.

Mr. Lenker: That is one of the recommendations in Item 2.

Mr. DiFrancesco: That is a high priority. That's what got me thinking about it. It just doesn't seem like there are people out there....I know it does take place in the City where literally they will come in and buy a block of houses and redevelop them, make them very nice and almost plant the seeds of a brand new community.

Mr. Lenker: There are other areas in the county. I will mention Steelton Borough is one. We have met with Mr. Musser the borough manager for discussions of a similar type project for infill housing. It is an important area.

Mr. Hartwick: This is a topic that I'm extremely happy about. It has many implications within our community. I think I saw a statistic the other day that we're in the lower ten states in the entire country in economic growth but in the top ten with the utilization of green space and redirecting growth and rehabbing those former industrial communities that certainly have the infrastructure but aging housing stock is the critical component to keeping those communities healthy. It is not only smart planning and smart growth it is something that I know the Governor has earmarked resources to. I want to commend Gary and the Affordable Housing for moving forward to make the process and being involved from the ground level trying to tie together these economic development projects to buy up blocks and start to rehab housing. It takes only one or two families who don't own their own home to blight a neighborhood. If we can encourage new homes and folks to purchase and have a stake in their community through the

purchase of these new homes I think we would systematically see the neighborhoods improve, the property values go up and I think it is going to have a great lasting affect on the communities. I know this is something that I'm extremely passionate about. You allowing those resources to be more clearly defined and how we can tie together these economic development packages to assist local communities in sort of setting forth a blue-print on how they can buy back portions of the blocks in their most deteriorated neighborhoods. Every economic development deal is different. There is moving parts and pieces that you need to fit together to make them work but I think this sort of helps define where the resources are, number one and how we have been successful in the redevelopment of these former industrial communities. I know this is definitely a top priority for me. Sounds like Commissioner DiFrancesco sharing those comments and I know Commissioner Haste is also behind them. So we maybe able to see some real, real progress in the ways of the redevelopment of some of these blighted communities. We'll put our money where our mouth is.

Mr. Lenker: There is another new federal initiative that's going to provide resources to the County "The American Dream Down Payment Initiative". We're certainly addressing that. That is another pool of money that you will have at your discretion and we certainly will recommend to you the use in affordable housing for that.

Mr. Hartwick: Once we see how things work and tie together in the larger project, hopefully we can take that blue-print and educate other urban local municipalities on how to tie it together. I think there are business opportunities for those developers who are in that line of work.

*D. Halifax Borough Representative*

1. Unprogrammed 2002 CDBG funds-authorize emergency funding for the Borough to perform emergency repairs on an existing stone bridge and roadway.

Mr. Schopfer: My name is Bob Schopfer. I'm employed with Brinjac Engineering. We are the retained engineer for the Borough of Halifax. With me today is the president of borough council, Irene Bohner. We are on the agenda today requesting that emergency funds be authorized to the Borough of Halifax under 2002 CDBG program. During recent storm events there has been an urgent condition that a bridge has been washed out on Chestnut Alley within the limits of the borough. That road is currently closed to through traffic. It is a dangerous condition in that there is an existing stormwater system that goes underneath the cart path. There is a guard rail on one side. That side of the road has been washed out and certainly in danger of future collapse. We did get an estimate from a local contractor who was actually up doing a road reconstruction project again within the borough limits for some other CDBG funds that were approved for the year of 2003. So it was convenient for us to get an estimate from that contractor.

Brinjac forwarded a letter on July 1<sup>st</sup> to Mr. Saylor. It identified the scope of work. The borough has been working diligently to try to upgrade and improve their road infrastructure along with the stormwater improvements. This is the final choke point before it enters into the river. With the improvements up stream it has become a critical point and the recent events have in a sense flooded and washed that out. We are proposing about 350 feet worth of pipe that needs to be replaced and elimination of that bridge. What we would do is extend the pipe underneath that bridge and then backfill

over top of it. It would prevent any further deterioration of that condition. We would extend that the entire way down to what we finally refer to as Riverfront Road which is also impacted. There is a park down there that some additional funding has been provided for. So it is our hope given the emergency condition of that we could get a conditional approval from the Commissioners. I spoke with Mr. Connor and Mr. Syed with the Planning Commission. They believe that it is an eligible project. However, they would like to do a site visit just to confirm that the drainage area is within the confines of the borough. It certainly does benefit the entire borough of Halifax. So we thought we would come and make our case and see if the Chair or any of the other Commissioners had any questions for us.

Mr. Haste: Is it \$54,000 that you are asking for?

Mr. Schopfer: \$53,100.

Mr. Haste: Have you had discussions with PennDOT on this? I assume they will sign off on this project as well since it deals with the bridge?

Mr. Schopfer: It is not a PennDOT road. It is an older bridge that is just south of Route 147.

Mr. Haste: You're not using any liquid fuels on this?

Mr. Schopfer: No, liquid fuels. Liquid fuels have been programmed for other improvements and actually have already been budgeted and spent in the other programs to make up for the CDBG funds provided. But the project was greater in cost than CDBG so those monies were programmed for the improvement of the Third Street project.

Mr. Haste: Are you going to be resurfacing at all as a result of this?

Mr. Schopfer: There is a small section that will need to be resurfaced when we replace that cart path. We believe there may be a fifty foot swath of cart path that will need to be replaced.

Mr. Hartwick: Obviously you will not be able to continue to use the bridge? Is that going to be a problem?

Mr. Schopfer: We are going to eliminate the bridge to avoid that in the future. But right now the road is closed to through traffic.

Mr. Hartwick: You can't use it anyhow now?

Mr. Schopfer: No.

Mr. Haste: My understanding is there is no need for the bridge but you will still be able to use this road once you're done. You are going to put the pipe in place of the bridge, backfill and repave.

Mr. Schopfer: What we will do instead of having the open channel which is now flooded and has deteriorated the sides is extend the culvert, put a pipe and backfill the whole way up. It will be simply a cart path not a bridge. It will be reopened. The bridge will be eliminated.

Mr. Hartwick: There are funds available for 2002 that we need to use?

Mr. Connor: Exactly, that is what the money is allocated for.

Mr. Hartwick: You will do an onsite visit before next week's meeting?

### **ITEMS FOR DISCUSSION**

Mr. Haste: We have items for discussions- Items A, B, C, & D. It is my understanding that we are requested to take action on Items A & D. A, is an issue that we dealt with maybe a month or so ago. I believe that we have gotten an engineer that is willing to sign off on this and move forward. We've given tentative approval whenever we did that. Are there any further questions on Item A? (There were none.) Is there a motion to approve?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve a Letter of Guarantee by Robert Kissinger of Glace Associates, Inc., for the Borough of Berrysburg Municipal Authority for additional funding for secondary clarifier freeze protection problems; motion carries.

- A. Approval of a Letter of Guarantee by Robert Kissinger of Glace Associates, Inc., for the Borough of Berrysburg Municipal Authority additional funding for secondary clarifier freeze protection problems. **(\*\*A VOTE IS REQUESTED 07/07/04)**

Mr. Haste: Are there any questions on Items B & C? (There were none.)

- B. Weatherization Work Plan format and proposed allocations for the 2004-2005 program year.
- C. Ordinance prohibiting the disposal or dumping of non-recyclable municipal waste in or at the County's volunteer drop-off recycling depots or on private or public property and fixing penalties for violations.
- D. Approval of a request for Advanced Communications to apply for a Section 108 Loan in the amt. of \$3 million to match the City of Harrisburg's contribution towards the redevelopment of a brownfield site at 1000 North Cameron St., in the City of Harrisburg.

Mr. Haste: I read what you gave me and then I read what you sent to Jul. It appears what you are saying and what you sent up has changed a bit. What was sent up they were requesting \$4 million and now it is down to \$3 million. Is that what you are saying?

Mr. Robinson: We have requested the same as the City, who is giving \$3 million. We didn't want to be higher than the City on their loan match. So we lowered our \$4 million to \$3 million. Also, and I think meeting with all three of you separately we discussed getting some recommendations from our consultant on the pluses and minuses of this package. This step, Item D, is to approve moving forward. There are a few dominos that could still fall where we would not move forward but we don't want the County's domino to be the one that makes the deal delayed. This is basically a 20 year loan. No money is expended from the County provided it's a Clean & Green loan which we anticipate that it will be.

Mr. Haste: In this it says that the City is capped at \$2.795 million not \$3 million.

Mr. Connor: There is other funding. They are applying for the BEDI Grant also which will be \$1 million. So they would be over the \$3 million mark if they are approved by the BEDI Grant. They were going to apply for the BEDI Grant through the County but after we had the meeting with M & L, the consultants, they thought it a better fit to apply for the BEDI Grant under the City. They would receive more points for the application which would give them a better shot of receiving the BEDI Grant. So they are not going to apply for the BEDI through the County but through the City.

Mr. Haste: If you read the report on pages 3 & 4, it's not a glowing report.

Mr. Connor: It is not and basically we are here to get a vote on whether we want them to apply for the program. There are a lot of obstacles in the way of this project that may not make it happen. We just want to give Advanced Communications a chance to apply to the loan program.

Mr. Haste: Why would you need our approval to apply?

Mr. Connor: We need a resolution to move forward with the application process to HUD.

Mr. Robinson: We are just asking that you approve the application process today and then we would come back at a later date pending what HUD and others say.

Mr. Hartwick: One of the things that is actually noted in the report and I know that we met with Mr. Dodd and talked to him about this funding matrix which is for every economic development deal, quite confusing but, particularly in this case. One of the concerns that was raised by this report was the large amount of government financing and the very limited amount of private financing that went into this project. Where are we at with the local banks and the private side stepping up? They are sort of saying we don't want to invest in this thing if we don't think it is going to fly and we don't want to put our resources in it. Why from the public side are we going to take that sort of risk if the banking side and believe me, I'm all for expending resources to try to redevelop an old blighted and brownfield site. I think this is a great use. But the question was, it is a huge project and a large amount of government funding that's been placed in this project, where are we at with any of the private side? Has any bank or institution stepped up to the plate in order to give us some confidence that they've measured all the risk factors in thinking this project is going to float?

Mr. Robinson: I think from the government side a large portion of that is for the cleanup. So if we take that out of the equation you're still correct in where is the bank participation? I think as this process moves forward he may scale back some of his numbers and that percent of the private contribution should increase. I shouldn't say contribution, the private bank loan would increase. We too have expressed some concerns about the project and about the 20 year viability but we think this program was designed for an entity like his. There are still some questions to be answered. I guess today we are just asking for the first step. If those questions aren't answered to the Board's satisfaction we can nip it later down the line.

Mr. Hartwick: I think this is a great reuse project. There are some concerns in this report that I just need to have answered. Have we received a letter from the Governor for the \$5 million commitment or is that just a handshake agreement still?

Mr. Robinson: That was coming through the City, the Mayor's Office, so we can check on the status of that. I understood that it was imminent.

Mr. Haste: So the City's \$3 million is really part of that \$5 million? Or is that \$5 million in addition to the City's \$3 million?

Mr. Connor: That is a separate \$5 million. It is from another funding source. That's in addition to the \$3 million. What David talked about an old grant or loan program that the state had. I don't remember what it was called. There is like ten different funding sources involved in this. That might be the Fish project that didn't happen.

Mr. Haste: Actually, this is the type of project that I like. It just seems there are a lot of things in here and if we put \$3 million and the City puts \$3 million and the state puts \$5 million, that's \$93,000 per job. How much are these jobs paying?

Mr. Robinson: I think he estimated to be in the \$30,000-\$40,000 range.

Mr. Haste: To work finding a job for three years.

Mr. Robinson: Some of those grants and funding would only be given to projects like this. You may want to take that into account. They wouldn't go to \$100,000 microsoft jobs.

Mr. Hartwick: This is about a \$28 million project?

Mr. Haste: It is \$27 something.

Mr. Hartwick: They have been shopping to try to reuse this site for quite sometime. I think this is one of the highest and best uses.

Mr. Robinson: In their business plan and this model, they are going to the bank and escrow three years worth of payments to the County upfront. So that would give us a cushion and their business a cushion to succeed and move forward.

Mr. Hartwick: Do you have a resolution prepared for us today to vote on? You say we are just authorizing them to apply? This doesn't firmly commit us? I think that is important for us to note today.

Mr. DiFrancesco: Do you need a motion or do you just need sort of a nod that we support the concept to allow them to go ahead and not waste their time spinning wheels?

Mr. Connor: Right, because the BEDI Grant is due on July 15<sup>th</sup>.

Mr. Robinson: We need a motion.

Mr. Hartwick: The motion would be?

Mr. Robinson: A motion to allow Advance Communications to apply for a Section 108 Loan in the amount of \$3 million to match the City of Harrisburg's contribution.

Mr. Haste: It would be to support.

Mr. Robinson: To support the application.

Mr. DiFrancesco: I really don't like voting on something that I don't have in writing. If this was a resolution acknowledging support that we are going to attach to a grant application, something concrete, I would be okay. But what exactly and how do we word it, define it, and when somebody comes back at a later date saying you promised, without having concrete text, I'm like what does it mean? What are we voting on?

Mr. Hartwick: Perhaps that question should be referred to Mr. Tully?

Mr. Tully: I think you can basically say that you are voting to authorize the application process with the understanding this no way commits the County to follow through. Essentially, once that is completed, the County still reserves the right to consider whether it wants to complete the transaction.

Mr. Haste: If we take an affirmative vote, what will you do then? Are you sending them a letter that says the Board voted today?

Mr. Connor: M & L will prepare the Section 108 Loan application for David Dodds. Then that application will be submitted with the BEDI Grant. They have to be sent in together to the federal government, to HUD, as a package deal. The BEDI has to be with the 108 Loan application. They have to go together.

Mr. Haste: So there is really no letter from the County giving recommendation. There is no resolution needed?

Mr. Connor: No.

Mr. Haste: It just allows M & L, who is acting on our behalf, to prepare the application?

Mr. Connor: Correct.

Mr. Haste: Before I would want to take the next vote, and I'm willing to go ahead today, I would like to see each one of the issues that were in M & L's analysis, their recommendations whether they're going to do it, they can't for this reason or whatever the case may be.

Mr. Hartwick: And attach some hard numbers for potential private support and sort of put a package together with a letter of intent from the Governor so that we have all of the necessary information to know that we're not the only folks who are putting up in this case and there are certainly others, including the City's analysis and what they plan to propose. If you could tie that together in one package for our consideration at that time, it would be helpful for me.

Mr. Haste: Is there a motion to recommend that M & L complete the HUD application on behalf of Advanced Communications?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to recommend that M & L complete a HUD application on behalf of Advanced Communications; motion carries.

Mr. Connor: This is the first time we've done it. We may need a resolution to attach. This is our first time on a Section 108.

### **SOLICITOR'S REPORT**

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

### **REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR**

Mr. Saylor: I have nothing to report.

### **COMMISSIONERS' COMMENTS**

Mr. Haste: Does anyone have any additional comments to be brought before the Board at this time?

Mr. Hartwick: Just that the overtime reports look good.

### **PUBLIC PARTICIPATION**

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

### **ADJOURNMENT**

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

Transcribed by: Julia E. Nace, Assistant Chief Clerk  
Wednesday, July 7, 2004

Respectfully submitted,

Chad Saylor, Chief Clerk/Chief of Staff

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