



DAUPHIN COUNTY BOARD OF COMMISSIONERS

COMMISSIONERS' WORKSHOP MEETING

WEDNESDAY, AUGUST 4, 2004

10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Bill Tully, Esq., Solicitor; Marie Rebeck, Controller; Bob Dick, Treasurer; Tom Guenther, Director of Information Technology; Steve Howe, Director of Tax Claim/Tax Assessment; Robert Knupp, Esq., Assistant Solicitor; Bruce Foreman, Esq., Assistant Solicitor; Carolyn Thompson, Court Administrator; President Judge Joseph Kleinfelter; Phil Intrieri, Deputy Court Administrator; Diane McNaughton, Press Secretary; Mike Yohe, Budget & Finance Director; John Orr, Director of Conservation District; Richie Martz, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Kacey Truax, Commissioners' Office; Lena Martinez, Veterans' Affairs; Faye Fisher, Personnel Director; Kay Sinner, Personnel; Dave Schreiber, Personnel; Sharon Way, Personnel; Randy Baratucci, Purchasing Director; Edgar Cohen, Facility Maintenance Director; Melanie McCaffrey, Solicitor's Office; Greg Bush, Information Technology; Dan Robinson, Director of Economic Development; Joe Dame, EMA; Missy Ventresca, EMA; Tory Jubbio, EMA; Garry Esworthy, Risk Manager; Shari Eagle, Information Technology; Julia E. Nace, Assistant Chief Clerk; Mike Pries, Security Director

GUESTS PRESENT

Ken Deitzler; PA Chief of Weights & Measure; Jack Sherzer, Patriot News; Mike Musser; Jim Szymborski, Planning Commission; D. Latorre; John Coleman; Tom Leonard

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 five sets of Minutes to review and take action on next week.

PUBLIC PARTICIPATION

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

Mr. Leonard: My name is Tom Leonard. I live at 270 Bridge Street in the city of Harrisburg. I'm here today to listen to "proposal D" from Mr. Steve Howe regarding the discussion of the tax reassessment. I will listen; but I also want to add my opinion right from the get go which is that a proposed reassessment if enacted no matter how it is styled for its rationale, will it be equalized taxes, will it be an attempt to be more fair. It will result in tax increases. There are no two ways about it. Not for everyone necessarily but certainly for some residential property owners. I point this out to you to proceed with caution in enacting a tax increase at this stage of our county's development. We are looking at a real estate bubble essentially. When it will collapse or cut down is another matter. But for this Commission to go after tax revenue on value that is basically built on a bubble because of the value increase in certain parts of the County, I think is not the best policy.

Secondly, I would also urge you to talk to your neighbors and talk to your co-workers about those Dauphin County property owners who are basically maxed out on their monthly payments including their real estate payments on their mortgages. We have a lot of folks who are on variable mortgage payments and as soon as those interest rates start to creep up, boy, I think we are looking at a real problem. I'm going to listen to Mr. Howe and the folks from Manatron and I'm also going to urge you to proceed with caution. Personally, I would urge you to vote against any reassessment proposal due to the current economic climate in our County.

PERSONNEL

Ms. Sinner: In the Personnel Packet we have a few salary board items. One in the Co-operative Extension Office. It is actually correcting the title of the position. There are two that are abolishing positions at Spring Creek and one is reclassifying a position at Spring Creek.

We have the vacancy listing. We also have an addendum listing more vacancies and requesting permission to fill these positions.

The new hire listing consists of several nursing positions at Spring Creek as well as positions in Children & Youth and part-time security officers with one security shift leader, full-time. There are several changes on the changes listing. We have the overtime reports and no requests for overtime.

Mr. Haste: Are there any questions for Kay?

Mr. Hartwick: The Safety and Security positions, I know we have been trying to manage our vacancies. I didn't get any update as to why we need to replace or place in the Safety and Security positions at this time.

Ms. Sinner: They are pretty short handed right now and they would have to use overtime to try to cover some of the staffing.

Mr. Haste: Right, I asked Mike this morning.....he's not here right now. Why don't you see if you could have Mike come in real quick? Basically what he told me, he is at a point where he's going to soon be where it will cost more for overtime than it would to hire individuals. He's been holding off as long as he could. He now feels he's at a point where he needs to bring someone in. I'll let him explain it.

Mr. Hartwick: I understand the Children & Youth caseworker, there is a mandated number of caseworkers for how many cases they have. That's something that we sort of have or we would not be in compliance with DPW's standards. We know the staffing levels at Spring Creek are something that we need to have. I was just concerned with the Safety and Security positions.

Mr. Haste: There are no mandates there other than trying to provide the service. Mike, Commissioner Hartwick had a question on the need for filling the positions now. I said I didn't want to speak for you but that we had a brief conversation this morning and it was my understanding that you may be at a point where overtime costs may be going up if we do not.....

Mr. Pries: That's in reference to part-time positions. In reference to that full time supervisor position, that has been vacant for at least eight months. We've had a full time officer filling in and he no longer wishes to do that. To keep things running in a

smooth efficient manner, we do need to put somebody in that position.

Mr. Hartwick: My only concern was, why didn't we try to space this in when we had the last actual big hiring? During those hiring freezes, that's sort of the purpose for us to do them in two increments during the course of the year.

Mr. Pries: That was the beginning of July and I was on vacation at that point. I started the correspondence with Kay letting her know that I wasn't going to be around at that time. We failed to get it in during that time period.

Mr. Hartwick: Thank you.

Ms. Sinner: There is a Lieutenant vacancy. I know they want to get started on replacing that person shortly. I'm honestly not sure if they wanted to request to fill that position and approve it today. I don't know if you recall. I know they have to go through testing for that.

Mr. Haste: Right and I think that is all they are asking is permission to move forward with the process.

Ms. Sinner: Okay, I'll just handle it normally and have it approved next week.

Mr. Haste: There are tests required and only certain people can apply for it. Tests are required and then we need to do evaluations. I will let the Board know, because I know George double checked this, but we got hit hard Monday on overtime. We had nine guards that had to do overtime duty because of call-offs and particular watches that are needed anytime someone goes on one on one or there is a medical need. Over the weekend we got hit hard with those.

Ms. Sinner: I know at the last meeting there was a request covering pay period #17 which is the period for right now.

Mr. Haste: It won't be out of the ordinary but we will take a hit.

Mr. Hartwick: I guess you are used to cutting those costs in half every two weeks.

Ms. Sinner: That is all I have.

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

TRAINING PACKET

Mrs. Nace: There are 19 requests. They've all been pre-approved and all can wait until next week for final approval.

DEPARTMENT DIRECTORS/GUESTS

Mr. Haste: At this time I will turn it over to Nick for a presentation.

A. CERTIFICATION PRESENTATION TO JOE DAME OF EMA

Mr. DiFrancesco: I have the opportunity today to make a presentation. I think the timing to make this presentation is very appropriate given what we went through earlier this week. I think it is probably true that the public doesn't understand exactly everything that goes into making certain that our communities are safe. The presence of the uniformed people out on the streets is often seen, but what people don't understand is that there are a lot of folks that dedicate an awful lot of time, going through a lot of training behind the scenes to make certain that when incidences do crop up there are very capable trained people in each of our communities that can manage those scenes. Like anything else it takes good strong management to co-ordinate all the services that are being carried out on the streets. So whether it be natural disaster like we saw recently in Lebanon County or if it be some sort of incident, TMI or some major activity that is happening within a community, there is a whole network of people who go to work very diligently to coordinate and make sure that services are being provided where they are needed and to make certain that resources that are necessary to meet objectives are being brought into the area. This morning we have the opportunity to give credit to Mr. Joseph Dame. He recently received his basic municipal EMA PEMA Certification. He really truly represents a host of people in our communities who are taking the time to go through official training so that they can protect their neighbors and the citizens of our communities. The Emergency Management Coordinator is a PEMA Certification that all municipalities are to obtain. Mr. Dame is a volunteer fireman with Rescue 37 in Susquehanna Township. Susquehanna Township is one of the handful of municipalities that has an emergency management coordinator as well as two deputy emergency management coordinators on staff. We encourage our staff to become as highly trained as possible and we applaud them for each and every award they earn. I would like to take a moment to bring congratulations from the Board. A Certificate of Outstanding Achievement presented to Joseph W. Dame on this 4th day in August, 2004 in recognition of receiving your basic municipal EMA PEMA Certification in light of your outstanding commitment to serving the public. We thank you for a job exceedingly well done. Your work ethic, professionalism and self-sacrifice have not gone unnoticed. Thanks to your initiative the residents of Dauphin County will be more prepared for a crisis situation. We would like to thank you for your leadership in receiving this recognition. While I'm saying congratulations to you, I also want to let your efforts be reflected as representation of the many other folks that do it as well around the county. We would like to present you with the certificate. We also have the official certification that will be presented this morning. (Photos were taken.)

Mr. Haste: Joe makes me feel old. I remember Joe when he was about 10 years old going to boy scout camp.

JOHN ORR, CONSERVATION DISTRICT & KEN DEITZLER, PA CHIEF OF WEIGHTS & MEASURES

Weights & Measures position.

Mr. Orr: I'm pleased to have with me, Ken Deitzler, he is the Chief of Weights & Measures for the Department of Agriculture. He was gracious enough to come to answer questions that I may not be able to about the weights & measures position.

Yesterday, and I apologize for the lateness of this, I sent a memo down to the Board. Did all of you get copies?

Mr. Hartwick: We received it.

Mr. Haste: I received it but didn't have the opportunity to read it.

Mr. Orr: I do apologize for the lateness of that. There is apparently a significant amount of information that has been promised to us that they say is in the mail and that is why we delayed so that we could give you a better package. We didn't receive that. We'll go through that real briefly and explain what is in here.

Highlights of why we are here. Prior to 1996 the Legislation required that the County have a sealer of weights and measures. In 1996 the Legislature passed Act 155, which revoked the mandate for the County to have a sealer of weights and measures. They changed the word "shall" to "may". The Act does require the Department of Agriculture to do the weights and measures certifications. It is our understanding at this point that there are 39 counties or 60% of the counties have opted to not have a sealer of weights and measures position at this point. Currently in our Memorandum of Understanding between the County Commissioners and the Department of Agriculture, we do small scales up to 1,000 pounds, the universal price code scanner, and gas pumps. Several of the other counties as indicated on the chart at the end of your packet, do larger scales that are over 1,000 pounds, timing devices, parking meters, coin operated devices, vehicle tank meters, such as those meters that are used for dispensing fuel oil to homes and things of that nature. We do not do those at this time. That is not part of the Memo of Understanding.

In 2003, Bill Nace, who was in this position certified 3,273 gas pumps, at 295 different stations. There was almost a 12% rejection rate, 1,702 small scales with a 6.4% rejection rate and he worked in 218 other businesses with price scanners, 6,575 items were checked with a 2.9% rejection rate. It is my opinion that Bill was an exceptional employee and that position is maxed. To continue with this program we cannot anticipate, in my opinion, with any additional businesses and things of that nature expecting this person to cover that. I think Bill, hustled and hustled and hustled to get all this done. I commend him for that.

If the program is not continued by Dauphin County it would revert back to the

Department of Agriculture. Ken can speak on this. It is my understanding he has eighteen individuals to service 39 counties. They will get to do the certifications but they will in all probability not be done within the year that the law requires. We are currently certifying everything on a yearly basis.

There was inquiry as to whether we can charge fees. There is a statement in the legislation that states nothing in this section shall be construed to authorize the department to impose a fee for the registration of any weighing and measuring device. There are counties that are charging fees. They are circumventing this requirement. It is my understanding we may charge an annual license or permit for commercial weighing and measuring devices. If we do proceed with this and you wish to impose a fee, certainly the Solicitor will need to be involved with the resolution and terminology in all of those aspects. I'm certainly not qualified to deal with that. Fees in the initial years from what we have talked with other sealers of weights and measures in other counties are quite unpopular. As years progress, the complaints about them does diminish. If we impose a fee schedule there will be additional time commitment on part of the Controller's Office or some office will need to obviously record the payments and keep track of that. We have been advised by other sealers of weights and measures that there will be some solicitor involvement with enforcement action especially early on in the process. There is quite a in types of fees that are being charged. Cumberland County charges \$10 per fuel dispenser for every gas pump. Westmoreland charges \$40. They may impose a maximum per station. Small scales, Cumberland County charges \$10, Chester County charges \$30. When you think of a large truck stop having 30 or 40 pumps, it is a significant amount of money. One store that the sealer in Centre County told us, has 75 scales. If you take that, that is \$750 per year for that establishment. You may wish to think about a maximum per establishment. There may be as I alluded to before, we are sort of maxed out in my opinion on the time for this position. Either we, if we impose a fee schedule we wouldn't get all of them done in a year or we would need some type of additional administrative help to process that. There is another area and I hope that Ken can speak on this a little bit. There are certified examiners. There are three levels. There are state examiners, certified examiners of weights and measures and the county sealers. Some stores such as Walmart have contracted to have certified examiners. I'm not clear on if we would charge a fee for scanners, how involved that we could charge a register fee on a scanner but yet we don't work in that store that they contract. May be Ken can clear that up a little bit.

I see three basic options. Option one is that the County may choose to eliminate the county sealer of weights and measures position and terminate the Memorandum of Understanding with the State. That in turn, puts the responsibility back to the Department of Agriculture under the legislation. Option two is to continue the program sort of status quo with the one person without a fee schedule. Option three would be to continue the program and adopt a resolution imposing a fee schedule on measuring devices. That may involve some additional personnel also because I think we are maxed out.

On the last two sheets, you can see a comparison. What we have tried to do is let you know what the other third class counties are doing and the adjoining counties. You will see that Berks County has one full time, Chester has three, Erie has turned the program back, Lancaster has one full time and two part-time, Lehigh and Luzerne have turned the program back. Northampton and Westmoreland both have the program. On the right you can see the fee schedule of what we know. Chester is bringing in \$165,000 and they are covering approximately half of the cost. They are doing more units than we are. They are doing the large scales, the vehicle tank meters, etc. Perry County, Lebanon, Schuylkill and Northumberland do not have the program. York does, obviously Cumberland does and Lancaster does of the adjoining counties.

That is a summary of some of the background information that we obtained at this point. Ken do you have anything you wish to add?

Mr. Deitzler: As far as the counties that we take care of, we do devices in all the counties. It is just that the counties that have county sealers in their Memorandum of Understanding with the department what devices they will do. Most of the cases, it's retail fuel dispensers, which your talking gas pumps, diesel pumps, kerosene pumps at a gas station, deli scales or small scales, front end scales like at a supermarket where you weigh your produce when you check out. A lot of cases, price verification. But the other devices like the large scales, the medium capacity scales, fuel delivery trucks, propane delivery trucks, we do because that would be to costly for the counties to buy the equipment. A large capacity test truck for truck scales is about \$160,000. Most counties aren't going to put the money out for that. A vehicle tank meter which is a fuel oil delivery truck, that alone is about \$37,000. Propane is about \$42,000. We have that equipment at the state. We do that in all the counties. What we don't do is in the case of Dauphin County where you have fuel dispensers where Mr. Nace was taking care of that, he would do the fuel dispensers. We would help him with the fast flow fuel dispensers because of technical aspects of the test. You have to use a larger approver than a five gallon test measure. We have that so we would help him with diesel pumps. All the rest of the pumps he would take care of himself. That is in the MOU but the other things we do, the truck scales and all that. Right now we have 39 counties that do not have the program that we have to do what we do normally in addition to all these devices, the gas pumps and the small scales and everything. When the law was changed I had eighteen inspectors in the field and I still have only eighteen inspectors in the field. What Mr. Orr mentioned that if we would get to it and we will, we will get done what we can get done. But with the eighteen people I have, we have to do it on a rotating basis and kind of go into a county and do what we can and then move on to another county. The law does require that we do it annually that all these devices are checked on an annual basis. We try to do that but with eighteen people we do the best we can with what we have.

Mr. Haste: Are there any questions?

Mr. DiFrancesco: It sounds like at this point we have a good partnership and balance of activity going on in the county. Secondly, the report was very well done. It gives us

what we need to move forward and make a decision. It is a good comprehensive picture of what is going on and what decision we have to make. Thank you very much.

Mr. Hartwick: The key for me is to make sure to deal with high gas prices. I worked in the Conservation District for a day and they beat me up thanks to Jeff Haste planning one heck of a day. During that, I got a chance to meet Bill and I agree that he does an outstanding job. He hustled probably more than or as much as any employee here in Dauphin County. To replace him would be a challenge to make sure that these gas pumps are still being certified particularly with high gas prices. What we have found is that largely they find in favor of the gas station because of the new calibrations actually go in favor of the customer. He said the largest majority of the findings happen to be in favor of the gas stations. I guess the question is, if we want to keep this do the gas stations want us to because of the savings that it promotes to the local gas stations and look at the fees and if we chose not to have this particular employee, the state has committed to covering that.

Mr. Deitzler: Correct.

Mr. Hartwick: I guess those are the two options if we are taking a look at costs and trying to boil this thing down to whether or not it is in our best interest. Thanks for the report. It does give us all the information that we need.

Mr. Haste: I think replacing Bill will be difficult. I have seen it done by three different individuals, Bill probably out ran the other two by far. Finding another person like that at that salary is going to be difficult. To be honest with you, I like partnerships but this is at a point in time where I'm not really feeling the love with the state. I just found out this morning that this great tax relief that we are supposed to get from the gaming will require the assessment office to do a little more work. That wasn't mentioned at all. When I say a little more work, I think 20,000 homestead exemptions that they have to process once this goes through, if it goes through the way it says, that's going to double or triple. Again there are no means to resolve that. It seems like it might be the time even though it might be very minor to tell the state, thanks but no thanks. It's their responsibility. Too many times they pass things onto us without providing the proper funding. Even once it is given to us, then it's changed after the fact that it is here. If in fact it is the state's responsibility then maybe it is time to say, it's the state's responsibility because it just may be at the point where we are tired of getting dumped on. Even though this has worked well and I think Bill did a great job, two things, finding someone with Bill's hustle and his work ethic, at that salary and knowing that it's really not our responsibility, and we have enough on our plate as it is now. It may be time to say something. We will wrestle with this, during the week and will make a decision next week.

Mr. Orr: Do you want me present next week?

Mr. Hartwick: I don't think it is necessary for me.

Mr. DiFrancesco: I don't think so.

Mr. Orr: I'll be available all week if you have questions.

Mr. Haste: Thanks, Ken, it is not meant as a slap.

Mr. Deitzler: I understand.

Mr. Haste: Especially, not your department.

Mr. Deitzler: I do agree with all three of your comments and I appreciate that because Bill Nace did an outstanding job. He really did. I would like a whole state full of Bill Naces.

PHIL INTRIERI, DEPUTY COUNTY ADMINISTRATOR, BRUCE FOREMAN, ESQ., ASSISTANT SOLICITOR

1. Lease Addendum for project at 1805 N. Cameron Street.
(REQUEST A VOTE 8/04/04)**

Mr. Intrieri: As the Commissioners are aware, we do have an ongoing project for a district justice office going on at 1805 N. Cameron Street. That project is in good shape building wise. We did have, and the Commissioners are aware, that the ruling from the Department of Labor and Industry that a prevailing wage rate would apply to that project. Heretofore, prevailing wage laws have not applied to any lease structures we have for district justice offices. However, this time it was applied and it has been the advice of our solicitors that if in fact that we appeal that ruling our appeal would not be successful.

Mr. Haste: Another state imposed increase to the County.

Mr. Intrieri: Yes, as a result we have hammered out and worked on an addendum to the lease agreement that we have with Triple Crown Corporation, who is the developer and builder, reflecting that change in cost for the prevailing wage rate for that district justice office. We are here to present today to the Board of Commissioners for a vote.

Mr. Foreman: The Board, I'm sure is aware that office which is on N. Cameron Street was under construction but the contractor has halted construction awaiting the Board's approval of the increase reflected of the prevailing wage. That's the reason we are asking the Board to consider a vote today rather than waiting for the normal legislative session. The amendment to the lease had been redrafted and presented to the Board and the contractor would enter into the lease if the Board approves it. I'm assured that construction would commence again no later than Monday.

Mr. Haste: Are there any questions?

Mr. DiFrancesco: Just a comment, the Solicitor's Office has taken a look at the contract, the courts have taken a look at the costs as well, I think it is very, very important that we get that construction back on track. It would have been a real advantage to the community and the taxpayers had we been able to not pay prevailing wage on this particular case but the fact of the matter is, the department ruled and we have to do it. I would strongly suggest that we move forward in getting the construction started again on that particular property.

Mr. Haste: Is there a motion?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve an addendum to a lease agreement between Dauphin County and Triple Crown for the construction of a district justice office located at 1805 N. Cameron Street, Harrisburg; motion carries.

D. STEVE HOWE, DIRECTOR OF TAX CLAIM/TAX ASSESSMENT AND TOM GUENTHER, DIRECTOR OF INFORMATION TECHNOLOGY

1. Regarding market value update.

Mr. Howe: The purpose of our visit today is to explain and I guess highlight the market value update process by Manatron and the proposal for market value property update that we have been asked to look at by your resolution at the last meeting. The purpose of the update process is clearly and truly to maintain equality of taxation which is the right thing to do. We know over the last several years and was alluded to earlier by Mr. Leonard that values of properties have certainly changed and it is our responsibility in the assessment industry to reflect those changes in the assessments that we maintain. Our office is responsible and charged with the responsibility of maintaining fair and equitable assessment. We have truly nothing to do with the taxes that are imposed based on those assessments. That's you folks and that's your arena. That's the arena of the municipalities and that truly of the school districts. Our position is that we need to maintain a fair tax base that clearly and truly represents the market value of properties today and not allow that tax base to erode where we have significant sticker shock syndrome for property owners when reassessment does come their way. We don't like to use the reassessment word although truly that's what it is. It's really an update of market values. You all weren't around back in 1998 & 1999 when we undertook through court order, a countywide reassessment at an approximate cost of \$4.5 million. We need now to capitalize on that investment by basically updating the values. We put in place software and significant time in manpower and effort to collect property characteristics that allow us to properly value properties. Those guidelines and those procedures are in place. What we need to do is basically follow through with our original commitment to update property values periodically and measure those values based on current statistics and current measures of accuracy not simply by the passing of time of the calendar.

Many of the other surrounding counties who went through reassessments back in the

90's and early 2000's passed resolutions or ordinances where they require reassessment every few years. That I think was a step in the right direction, however, that timed reassessment to a calendar has to be also laded with what is happening in the community and what is happening across the country as far as property values are concerned.

There are various measures of accuracy that we look at in the assessment industry to judge whether or not it is time to do updated values. Those are common level ratios and call efficiency of dispersion which tells us how accurate we actually are. The common level ratio is a statistic that's provided to every county by the state equalization board. Back in the early or mid 1970's, the legislature passed the common level ratio law which basically says, I'm not going to give you a history lesson or a lesson on common level ratio, there are many, many seminars that we conduct statewide to teach assessors how to use those statistics, but suffice it to say, the law says, "that any county that assesses when their common level ratio drops below 85% or outside of the 15% tolerance, there is a requirement," a requirement of the Board of Assessment of Appeals whether that be the Commissioners or an appointed Board, changes. Up until the point when we are outside of that 15% tolerance the only obligation of the Assessment Appeal Board is number one, find the market value of the property and number two, apply the predetermined ratio. If the predetermined ratio in our case which was 100% of current market value falls outside of that 15% tolerance which is the common level ratio statistic that is provided by the State Tax Equalization Board falls outside of 85% or below 85%, the rules change for the Board of Assessment. The rule and the law simply says, if that occurs now the obligation of the Board is number one, find the market value and number two, apply the common level ratio. Where we find that is detrimental to all counties not just Dauphin County, is when that statistic falls out of 85%. What happens is typically although all property owners have the ability to appeal every year, typically commercial property owners pay attention to that common level ratio because they know if their property value does not increase and they file an appeal based on the common level ratio, the obligation of the Board is to reduce their assessment even if there is not any appreciation in their value. For example, if you have a \$10 million property, the common level ratio drops to 83%, the property owner brings the appeal to the Board and simply demonstrates that the market value of the property is \$10 million, it may not have changed, the obligation of the Board is then to apply that common level ratio hypothetically 83% to the \$10 million assessment/market value and reduce the assessment to \$8,300,000. That's how the tax base erodes based on the common level ratio. It applies as I said to all property owners, residential as well as commercial. However, the main affect is felt through the commercial appeal process. We can have \$200,000 house appeals all day long and if we lose \$1,500 or \$2,000 or \$10,000 per appeal we can absorb that typically by the process of new construction in what we are picking up in the tax base. Where it is difficult is when you have the scenario that I explained earlier, being the \$10 million assessment and they get a \$2 million reduction in assessment simply because of the common level ratio.

All property owners are concerned about this process and may be for a good reason. No one wants to see their assessment change but our purpose for.....

Mr. Haste: Until they go to sell!

Mr. Howe: That is correct. But all property owners are concerned and as well they should be. We want to implement this periodic process not necessarily to tie it to a calendar year because I'm not sure that's exactly the right way to go. Just because four years have passed doesn't necessarily mean we spend another \$1.5 million. We want to look at what those measures of accuracy are and then tell the Commissioners or whoever the power be at that point in time throughout the Commonwealth that now is the time to reassess or now is the time to adjust those market values. The process is intended to recognize change. As Mr. Leonard said earlier, it is not necessarily always an increase. There are many municipalities which have older stock houses where the values truly go down and those reductions in assessment are also felt by the property owners. The purpose of reassessment or the updated values is not to increase and as I said earlier, it is not to increase tax, it is to provide all municipalities and all taxing authorities with a fair assessment base on which to judge what their tax levies need to be to operate. Those changes that we would propose aren't necessarily increases. There will be, I can tell you from previous experience, municipalities and property owners where the values will truly go down. There will be those municipalities and we always like to pick on Derry Township because that's an area of tremendous appreciation where the values will go up tremendously.

Other counties such as York, Cumberland, and Lancaster have already undertaken this update process. Many other states where the state actually administers the assessment process have statues in place where they dictate periodic reassessments. Some of those states are Ohio, Indiana, West Virginia, and North Carolina, where that process is pretty much standardized. The sticker shock syndrome is not felt by the property owners in those particular states or the counties in those particular jurisdictions.

If you get accustomed to periodic reassessment, if my house is valued at \$100,000, three years from now, I get an assessment change that says my value is \$103,000, that's far different than the scenario we experienced when we were looking at basically a 1973, base year or 1985 base year and the Shipoke scenario where properties assessed at \$20,000 and literally the assessment goes to \$150,000. That's sticker shock. That's difficult for any administrator of any program to explain to a property owner why their taxes are not going to go up. They are, there's no question about it in that particular scenario. There is a direct relationship to the accuracy of the assessment and whether or not your assessment or tax base or tax for your individual personal property is going to change. The purpose of this is to make that assessment base far more accurate so that when there are those changes in millage rates, in updates of values, those changes in tax dollars are insignificant to the property owner. That's one of the purposes for this whole update process.

As the Chairman alluded to earlier Act 72, which is the Homeowner Tax Relief Act, the slot machine money, is another obligation that is placed on the County. Clearly, I was

at a seminar yesterday and there are specific statutory deadlines for which the school districts are obligated to provide applications to homeowners. We in Dauphin County particularly want to take the lead on that process for our twelve different school districts and make that happen uniformly. We intend to meet with the business managers for the twelve different school districts, get them together so we can recognize some economies of scale in the mailings of those applications to property owners. It clearly puts a burden on my department. Right now we have approximately and I looked at the numbers since you and I met this morning, Chairman, we have about 15,000 active applications in Dauphin County. There are approximately 99,000 residential properties in Dauphin County. That's a difference of 84,000 applications that we conceivably will receive and need to process between October 19th and December 31st to be able to report back to the school districts by May. There is no department in the Commonwealth of Pennsylvania that can process 84,000 applications in that short period of time. That is just one more example of responsibilities placed on county government dictated by the state that we are just not at this point equipped to handle. That's kind of aside from the assessment of market value update process but since you brought it up earlier, I wanted to just bring that home before I forgot it and got off my notes.

That is the reassessment or market update value process. Truly to the citizens and the population in Dauphin County, it is clearly and those of you who know me, should truly believe I'm not trying to lead anyone astray. This is truly to maintain equitable assessments. What the taxing authorities do with those assessments is clearly out of my purview. I don't have any control over that whatsoever. We all know the school districts are the biggest challenge to overcome as far as taxation is concerned. We want to maintain a fair tax base for all the citizens whether their assessments go up, go down or stay the same.

We're here to answer any questions you might have about that process. We're looking for the benefit and clearly the right thing to do. We'll try to handle or answer any questions you might have in that whole process.

Mr. Haste: Are there any questions or comments?

Mr. Hartwick: Is it fair for us then to have Tom give his side with the software piece and then ask questions at that time?

Mr. Haste: We can, are there issues on the software side?

Mr. Hartwick: Yes.

Mr. Haste: It is my understanding that Tom is here to really answer questions. Which question do you have?

Mr. Hartwick: The biggest piece of this is, the update and the former Board of Commissioners had expended a great deal of resources in an attempt to try to get

software up and running that allows you to do many different things. It was the attractiveness of that software that lent the County Commissioners at that time to select Manatron because of the wide array of solutions that were provided here in Dauphin County. To date, one of the largest problems with the entire reassessment problem and the entire reassessment has been the update and the usability and confidence that we have in that software. That's been a major part of this discussion and I don't want to be in a position again to wonder if we can get tax bills out. I don't think Steve does either to support county government to not know that we can meet the deadlines for those tax bills that is something that is difficult to accept. I know you guys went through that process last time. Where are we at with the software? Again this may be from a timing perspective a moot point, do you think that we could put Manatron's feet to the fire to get the software up and running by next year as tax bills go out?

Mr. Guenther: There are two major components to the software piece that does this whole assessment process. One would be the valuation appraisal side of the house and then the other is tax administration software. When we think about tax administration, you can break that down into billing, collection, and the delinquent tax processing components that need to make up that. We really don't have any issue with the valuation software and the mass appraisal software that was done to generate the values and that Steve's office uses to support the values. It does work fine and we have high confidence and reliability in the valuation side of the house. We have struggled with the tax administration software and in the billing collection. At this point in time, we have not received from Manatron a delinquent tax processing system. We are currently operating on our old mainframe base solution that is run here for close to 15 to 20 years now. So we are still using that software to moving values from a billing collection system into delinquent system to process all that information.

We have worked numerous times with Manatron to develop a better schedule to keep them on tract with this process. You know at the beginning of this year, we had problems getting the bills out in a timely fashion. We went through a number of things with the company, brought them back in here to get the bills out. In March, I sat down with the Vice-President from Manatron, we developed a project schedule to correct and fix any areas in the billing collection process that we identified and also to develop a new project schedule to bring the delinquent tax processing software to conclusion by the end of this calendar year so it would be in place for 2005. Due to reorganization in their company, that Vice-President was let go in April. My concern at this point in time is that we have not seen a lot of movement on this project between April and August. I had a conference call on Monday, we are trying to refocus that process, get it back on track and get this concluded. We currently have over 30 outstanding issues on the billing and collection software that we are trying to identify and get corrected. So this is an ongoing process. We are trying to adhere to the project schedule that was developed earlier in March and get it back on track with the new personnel at Manatron.

Mr. Hartwick: Does any other company have the capacity to be able to work on these software issues?

Mr. Guenther: No.

Mr. Hartwick: So, it is important for us to figure out if we are going to try to move forward with utilizing these solutions in software. We need to have the responsiveness to Manatron. In your experience, are we going to be able to work out those software issues by the end of this year and I guess you sort of laid out what the struggles have been and what is it going to take for them to focus on our issues?

Mr. Guenther: I think that the company has to focus on some more resources and we have to get them to comply with the schedule that was developed and that is the process that we are working with. We have talked with the Solicitor's Office about that and they are actively engaged in this process trying to get this assistance to get us going on this.

Mr. Hartwick: I have a number of questions on the other side so Nick if you want to open it up to your line of questioning.

Mr. DiFrancesco: Right now again, the Board is moving forward, I think with the idea that by December 31st this will be solved. I think that is the feet to the fire, at least my personal expectations are, this will be resolved by December 31st and that we will move aggressively in every capacity that we can to make sure that happens either through talks between you and Manatron to make sure it gets done or through the Solicitor's Office whatever needs to be taken. Bottom line is the County paid for a product and the product is deficient right now and needs to be resolved.

Steve, you had mentioned about not wanting to use the calendar as defining the moment when reauthorization of a reassessment should take place, is there a particular guide that we should use? Is it the common level ratio and what would be the appropriate number that would be a comfortable margin that would allow us to get it done before we drop below the 85%?

Mr. Howe: Commissioner, that is a good question. That's basically why we are in the position that we are in right now. We are at a common level ratio for 2005 of 87.7%. We would predict that when we started in 2002 our ratio was 100%. It dropped to 93%, don't hold me to these numbers. The following year it dropped to 91% and this year it dropped to 87%. If you look at that predictor of values, by 2006 we would be below the 85%. Our proposal then was to go back to Manatron, which was our original intent in contracting with the reassessment in 1999, that we would do this periodically when the common level ratio was predicted to fall outside of that 15% tolerance. That's why we are where we are right now. We would predict that for 2006 we would be below the 85%. So our purpose is to implement a market value update for 2004 and 2005 to implement those values in 2006 which would bring the common level ratio and our predetermined ratio back to 100% again.

Mr. DiFrancesco: I'm going to ask you to be an economist for a moment so whether or not you can answer this question is anybody's guess but, given the current market place

and given the rising interest rates and given the fact that probably there will be at least some noticeable slow down in sales and values, what would you expect to happen to the common level ratio? Will the brakes be put on that, is it possible that in fact it will turn around and go the other direction?

Mr. Howe: In my twenty years and the fifteen years that the common level ratio has been in place, we have never seen it go up. It's always for whatever reason, come down. Of course the rate has changed over the years. It has not always been 3%, 4%, or 5% a year. But there is some direct relationship between the common level ratio because the common level ratio is nothing more than a ratio of the assessment to what properties are selling for. We are obligated to provide to the State Tax Equalization Board on a monthly basis all transactions from Dauphin County, all sales of all real properties. They then track the selling price compared to the assessment and develop that common level ratio of assessment. Even in times where property values are not appreciating at 6%, 7%, or 8% like they have in the last year, here in South Central Pennsylvania, we've always seen the common level ratio go down which implies that there has always been appreciation.

Mr. DiFrancesco: So it is a matter of rate of which it is going down?

Mr. Howe: Yes, it is the matter of rate of which the common level ratio changes.

Mr. Haste: Is there a way to play the numbers game and what I mean by that, I know you guys are good at that, instead of being at 100%, where we would change it to 50% and change the millage rate to reflect the exact same revenue and thereby that 15% becomes 30%? Do we slow down getting to that common level ratio?

Mr. Howe: No because the state takes into affect the predetermined ratio which is what you are talking about changing. The state takes that into consideration when they are preparing their common level ratio. So just because a county may be at 100% or 50%, does not change the common level ratio.

Mr. Haste: I thought that was the answer but I wanted to make sure.

Mr. Howe: Let me make a point to that, back in 1985 when we did the reassessment, Dauphin County basically went from a 30% predetermined ratio to 100%. One of the purposes for doing that was to make it far more understandable by the public. When you are talking at 100% value today not 100% times 30% times the millage rate which appeared to the public or the property owners to be smoke and mirrors. It is far more easier to understand when you can tell folks, is this or is this not the market value of what you could sell your property for today.

Mr. DiFrancesco: Compare for me the cost to the public in terms of doing it on a periodic basis or doing it at the request of the courts. What benefits the taxpayers in your opinion in terms of the price tag of the project?

Mr. Howe: It's difficult to say because technology is changing so drastically. When we contracted for the reassessment in 1999, the actual cost with the contractor was \$4.235 million. There were other expenses that the County incurred, Board of Assessment Appeal Hearings, etc. that were not part of the contract. To the public, the more often we do this the more familiar if you will, we as a county operation get with that whole process and we are actually able to do it at a far more economy of scale in house with in-house participation than relying strictly on contractors. If you look at the \$4.5 million back in 1999 and the \$1.4 million today, that is a direct result of that number one, technology and number two, doing it far more frequently. This process that's being proposed to you folks by Manatron is not a house by house review of every property, not having an appraiser stomp around every property if you will in Dauphin County. It is simply taking the technology that we have now, loading that technology into a van based pc's and driving the County and looking at the record that we have available from this other technology that we acquired in 1999 & 2000, compared to what is physically being seen today. So that economy of scale of our being able to use that technology is really something we can't put a price tag on. We can simply say, in 1999 it cost us \$4.5 million to have someone go out and look at 110,000 properties. Whether that was twenty people or fifty people, someone had to physically go and do that. Now we will employ basically six or seven, eight or nine vans, I don't know exactly the number that will drive the County with an appraiser onboard that when there is a change we simply note that and then we will go specially back to that particular property. That's not the only process involved in looking at the parcel. When looking at the property, we certainly will do market value studies and studies of the market in particular neighborhoods to tell whether or not they have increased or decreased. It is far better, at least in my opinion, for us to be able to plan for those expenses whether it is budgeting x number of dollars per year for that process to take place every three, four or five years than wait twenty years and have a reassessment imposed by the court that we have not planned for economically.

Mr. Hartwick: That leads me to the point to the software being an integral piece of this and as the former Board of Commissioners set forth, that was the plan to do those updates with the technology that's available and take more of the politics out of it and keep our ratio above that 85% level that can be done through the use of this technology. Commissioner DiFrancesco made the comment that we're deficient in the area of the software and it needs to be resolved. We've been talking about this since 2001 and we've had three years to resolve this issue and the key is, is this issue going to be resolved? I think this is the critical component to this process and is that issue going to be resolved and what is it going to take for us to get that software issue resolved?

Mr. Howe: Our intention is basically "to hold their feet to the fire". The contract that was signed in 1999 for the reassessment did not have a lot of protection for the County to see that we were delivered what we were promised. Quite frankly, this particular contract, and I'm not an attorney and not familiar with the terminology, maybe Bill can help me here, but we'll have some teeth in it that will again, to use the terminology, "to hold their feet to the fire" to be sure that the process is ready to go. As Tom explained earlier, there are two different divisions of the software although they are integral in the

tax administration process, there is the valuation software that we will use in this process and there is a tax administration software that we use for administering the tax on behalf of the municipalities and Dauphin County in the billing and collection process. The valuation software is not an issue. The tax administration software is where we've had some difficulty. Maybe Tom can elaborate on that further. To answer your question directly, our position is to put some teeth in the contract that we are entering into with Manatron at this point or the proposal is on the table to enter into that protects the County far better than any prior contract did.

Mr. Hartwick: Let me recap what was said. No one else has the capacity to be able to provide this type of software solutions at this stage of the game?

Mr. Howe: Not at that cost.

Hartwick: Not at that cost.

Mr. Howe: There are plenty of vendors out there who can provide software and market value update solutions. We simply would not get it at this economy of scale, I hate to keep using that word, that we have now because we have their software already in place for the valuation process.

Mr. Hartwick: Number two, we have no legal grounds to "hold their feet to the fire" according to the prior contract?

Mr. Tully: Limited.

Mr. Hartwick: Our options to do this to take the politics out of it, because for a policy perspective this is the right thing to do to try to continually keep our properties valued at above the common level ratio, we came here to the County saying, we want to try to find new revenue sources. We also want to stop and put holes in the leaking ship because as you said when it goes below that 85% common level ratio, we begin to lose significant value and resources in dollars because there are folks and attorneys who go out to these commercial properties and they say, "hey, do you know that you can gain a lower assessment here because the common level ratio has now dropped below 85%" and that directly impacts all property taxpayers in Dauphin County. The burden is felt then through individual property owners who have to then sort of shoulder the burden for the commercial property owners. My concern still is and again can it be accomplished from the software side and number two, with the reassessment and where we are at right now, can we accomplish this by the end of the year with the timing? Those are my two big key questions as we look at this thing from my perspective because if we are not going to do it, it sort of is a moot point. If we can't accomplish the software piece by the end of the year and if we can't accomplish the reassessment piece and do it right and have enough time to accomplish it, I don't know if this year is the right year to consider it. I guess those are two initial key questions that I have for you folks. I know they are challenging questions to answer.

Mr. Guenther: Again, from the market valuation side and to do the market update, the software is not a question. If you are looking for an end of the year, December issue, Manatron could begin the process of market valuation and market update and take advantage of the software and the data that is in place here based on what was collected in the prior reassessment and do their process. The process of billing and collection of that assessment file and the completion and the total correctness of that by the end of this year is in question. We are actively engaged in trying to bring that to conclusion and make them really adhere to that schedule. Personally, I'm still confident that on a billing and collection side we are going to get there by the end of the year and have a better billing process in place for the beginning of 2005. At this point in time based on the inactivity of the last few months, I'm not sure that a delinquent tax claim product can be delivered in that timeframe.

Mr. Hartwick: There are a number of other counties that are waiting for this software to be usable in Pennsylvania. A lot of business is up here for Manatron. In order for them to complete this software they should have a lot of interest in accomplishing this right now with the amount of business that is at stake throughout the remainder of the state of Pennsylvania. Will in fact us giving some language to this contract and "holding their feet to the fire" be any more leverage that actually exists out there for them to be able to get this accomplished and then put themselves in a position to do 50, 30, or 20 other counties throughout the state of Pennsylvania.

Mr. Guenther: I don't think we have an answer for that today.

Mr. Hartwick: Okay, thanks. It is unfair to ask a question of these gentlemen.

Mr. DiFrancesco: I'm going to make a simple comment that the fire that we are keeping their feet to is now coming from the nostrils of this Board of Commissioners because we are hot over the issue. You said there was three years in order to get this accomplished and it hasn't been and whether the previous Board's contract had any teeth in it or not, we do. Each one of us has very large sharp teeth and we are on this. I think the more we press it and push it, Dauphin County will become the squeaky wheel because we are going to stay on this and make sure that they meet their deadline of December 31st of this year. We'll continue to push it directly from the Board's perspective and I'm going to stay on it. They have no excuses to not get the job done. I'm going to give them credit and confidence that they'll have that job done by December 31st. We'll do whatever we can, as I mentioned earlier, to make sure that it is enforced. I don't care what the prior contract says in terms of limiting our abilities. There are avenues outside of legal abilities that we have to our benefit that we can use if need be.

The next question that I have is, under the last reassessment, how was the community impacted? What did you find in terms.....granted everybody's value went up for the most part.....I guess there were some that could have gone down like you said. The impact of the assessment, what I have heard a lot over the last week based on some things that have been written in the media, both correct and incorrect, is that it results in a negative effect on every person. I saw some numbers and I don't want to say them,

but I'm going to see if they hold accurate and that is that based on the numbers that I saw, somewhere around 63% of those reassessed under the last reassessment were either not harmed and I'm talking about taxes now, or actually saw a tax decrease. There was actually a minority of people who saw the tax increase and those numbers do not reflect at all, as you mentioned the Shipoke case, were the ones that were badly affected. Do those numbers hold true? Was that the case where the majority of the people either benefited from a reassessment or were not harmed by the reassessment?

Mr. Haste: I've seen those same numbers.

Mr. DiFrancesco: Before you even answer, I'm going to separate the complicating issue. We can't address the municipalities or school districts that take their 10%. All we can do is say on land value, given our break even point, and if everybody takes zero, harm or benefit to the majority of the public?

Mr. Howe: I personally do not have those statistics. The numbers that you are referring to, I know were provided by Manatron and through their project manager who is Wesley Graham, who worked on this project in 1999 through 2002. I personally do not have privy to those particular statistics. I wouldn't want to tell you that they are valid or invalid. I made an attempt to contact Manatron as to how they arrived at those numbers and Wendell Gunlock, who is our representative, is at the County Commissioners Conference in Pittsburgh. I did not get a phone call back in time to really intelligently answer your question.

Mr. Hartwick: He should have been working on our software.

Mr. Howe: Right.


Mr. DiFrancesco: The reason that is important is, again, if we are going to have to make a decision on this, it is important to know how the taxpayers are truly affected not rhetorically affected. The bottom line is if those numbers were accurate, that means that a majority of the breakdown of those who benefited, stayed neutral, or lost ground, a majority of those three categories, were paying too much. If their tax bill went down as the result of reapportionment, they were paying historically too much money, more than their fair share.

Mr. Howe: That is correct.

Mr. DiFrancesco: That is an important issue for us to weigh in our decision whether this is a good thing or not. If those numbers are accurate, we have to look at it one way. If those numbers are inaccurate, then if there is a different picture out there where basically the discrepancies weren't that severe, then it is a whole different picture. It is a whole set of different circumstances for us to consider.

Mr. Howe: I will attempt to provide to you that information once I get a confirmation with the Manatron folks as to where those numbers came from. I will do that. I just simply

cannot give it to you today. I can tell you that from this point forward the effect will be totally different than it was from 1985 to 2002 because at that point in time the values, because of the 1972 reassessment to the 1985 period, and then from 1985 to 2002, had no real basis in market value. They were basically cost driven assessed values. We were one of the first counties in Pennsylvania really to use a market value driven system in 2002. Most other county reassessments are more cost value driven than market value. We did not want to simply go by a chart that said, here is the x number of dollars per square foot that a building costs to reproduce or to build. We were one of the first to actually use a market value base system where we went into the market, looked at by neighborhood as we are required to do now by the uniform standards, and look at what properties sell for. I can tell you that since that took place in 2002 the impact to 2006 will be far different than it was between 1985 and 2002. Just because the numbers are far better now than they were before.

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Mr. DiFrancesco: To me that is an important number that I want to see confirmed or not. That's all the questions that I have.

Mr. Haste: I have a couple of comments. If we are to move forward, I strongly encourage that it be done by common level ratio and not by some arbitrary date. That is what drives a lot of this. I think that is a fair way to go because that reflects as Mr. Leonard said and talked about a bubble. I think that reflects the market better than just going by some arbitrary date. If in fact there is a slow down, we don't see it. If there is a boom, then we see it. I think we take advantage of the curve in the market. It follows that. I would also, if we move forward, need to do this in a revenue neutral position for the County and not be as some have tried to put the scare tactics into people and say this as a hidden tax increase. The intent is not to do that. Before we do a tax increase, I'm going to ask that this Board do a tax increase and call it that and place it that way and not use this as a rouge to try to do one. It ought to be a way to keep property values fair. I think it ought to be done as a tax equity issue and not as a tax increase. I think that is one of the bigger reasons to keep this in our mind whether the timing is right or not is a different story. When everybody is talking about this and Nick alluded to the number of people that are affected, when this hit I actually had several neighbors volunteer to me at that point in time, that in the last reassessment they actually saw a tax decrease. I think one of the things that we have to keep in mind, there are people

who did not want that last reassessment because they knew their property values were grossly under estimated and they knew they would have to finally pay their fair share. When people start talking about seniors and people on fixed incomes, that is one of the reasons I think we ought to take a real hard look at this. It is very unfair if we get into this situation where the commercial properties start to take advantage and we take big hits there, if in fact revenue has to be made up, revenue for the most part then gets made up from residential properties. It shifts the burden and the demand quicker onto those properties which many times all those seniors are those people on fixed income. Our current system I think adversely hurts two categories. One is the seniors and people on fixed incomes because when property values are shifted they have to pay an increase and they often get hit with a huge increase that they weren't planning on. When we're not keeping current and they get that sticker shock the people that hurts the most are the people on fixed income. The other people that this really is unfair to, quite frankly and no one has talked about these and no one wants to talk about these folks for some reason, it is politically not correct, but that working middle income family with kids who often times move to a school district, and that's what drives a lot of parents moving into an area, to get a quality education for their kids, when they buy or build a new home, they are paying the highest rate. There are those that are sitting there who are not paying it. So we adversely in our system grossly affect two categories of people. We talk about the seniors because that is politically correct to do and everyone is sitting here being afraid to talk about the hard working family. That's the other person we need to protect in this. And if nothing else, what we are going through is just an example of us trying to be as fair as we can in a very unfair taxing situation. For everybody who is out there who is irritated by this and thinks this isn't right, we're only trying to do what we are given by the Legislature. I will preach this as long as I'm sitting here. This is another prime example of the need for tax reform. I think what happens and what we are hiding from, too, and no offense to Garry sitting back there who for whatever reason has put on that suit of armor to go out and be a school board member, really what comments that I heard about on this is directed at don't give the school board another reason to gouge us. If that is the issue, let's face the issue. It's not this Board trying to gouge anybody. As you said, all we are trying to do is keep the property values assessed properly. That benefits people. I was joking about it, people want this. People don't want their value assessed properly until it is time to sell and then they want it.

Mr. Howe: That is right.

Mr. Haste: If we were to do our job and keep current all along then that wouldn't be an issue. If we move forward, part of this is to take politics out of reassessment because quite frankly what has put the Board of Commissioners in, and not just this Board but any Board of Commissioners across the Commonwealth, is the political situation. When you sit here and you decide whether you are going to do it based upon re-election or not. That's why quite frankly we sat here for two decades and didn't have a reassessment done because every Board of Commissioners is afraid to face it because of politics. If we remove politics from the process, it gets done a whole lot more fair.

Mr. Howe: And efficiently.

Mr. Haste: And efficiently, and I think that is what we ought to be talking about. Unfortunately, the time of this may be a point where a particular media market or owner decided to use it as a scare tactic and scare people. When in fact if we get the opportunity to let this be known to people out there and almost every person that I've sat down with and they had the time to sit after they were done complaining and griping to me, and I explained the process, actually thought this was a more fair way to go than the way we have been doing it. The problem is we have not had the opportunity to educate the public on what is really going on. Quite frankly, people are afraid of the word reassessment because of the way it has been done in the past. It need not be a negative. It just may not be that way. If we move forward, we ought to take every opportunity to make this as fair as possible and remove politics from the process from that point forward.

Mr. Hartwick: I guess the old saying is, don't let the facts get in the way of a good conclusion. You ask where those other media outlets are today when they get the opportunity to hear the open debate and the discussions about what we can consider and what we need to consider as we make this very difficult and challenging decision. There is plenty of opportunity and I've asked to sit down with various media outlet folks to discuss this issue at length, talk about what our intentions were and those requests have been denied because again, don't let the facts get in the way of a good story. Ultimately, I think we need to commend this Board for being as transparent and open as possible in trying to have the discussion about this issue which is politically challenging. I mean, we have people saying, a reassessment, they don't understand facts but they know what reassessment could potentially mean to their pocketbook. Unfortunately, Jeff has heard from a few people who have had their property taxes reduced by the reassessment. In the large part, people don't even realize they've had their property taxes reduced by a reassessment. We don't hear from those folks. The folks that have stayed the same, we don't hear from. Even though there is about 35% of the people that do have their property values go up, we do hear from those folks. But there is an assessment process that allows them to go and debate whether their property values have been assessed appropriately. From my understanding through the last assessment property process, it went very well. That's one of the reasons, from the software side, I'm very, very shaken by Manatron. From the assessment side, I've heard nothing but very, very good things about their ability to do the job which makes this consideration certainly palatable. When you talk about debate, we talk about inaccuracies and no facts and you have to talk to the people who are trying to make the decisions. This is something that has not been generated by the Board but as we came into this office, we said, we have to take some tough looks at all options and talk about how we can promote tax fairness, how we can figure out a way to right the financial ship. You know what, it takes some fortitude and it takes discussing this out in public and not hiding from these issues and coming out and slapping a reassessment on the people without having the opportunity to have open debate and allow this issue to be discussed thoroughly. I think the Board should be commended by considering this which is a politically destructive issue. From a policy perspective, with the loss of

revenue, stopping the leaking ship and making sure things are done fair and equitably, it's one that if we don't consider, we are not doing our due diligence and making sure we do everything to promote tax fairness.

Mr. Haste: When we get to Commissioners' comments, I'm going to correct some of the misstatements that were printed.

I just think it ought to be very clear and I hope those people that are upset about this understand if in fact they are upset and I totally agree, I hate property tax. If I had the ability to do away with it in this County, we would. We don't have that ability right now and I think what we ought to do, we ought to take this opportunity to heighten again the need for appropriate tax reform by the Legislature because anybody who thinks they are going to get through recent vote that they had, has been snookered. Those who think they are going to get property....I think that will only cause this debate to get hotter because as people who think they are going to see a decrease in their school taxes because of this because when they find out they have been fooled, are going to demand that they get property tax reform. That has been nothing but a shell game and I think that is going to come to light.

Thank you and if you could as you gather that information, see that we get it. The sooner the better.

Mr. Howe: I will.

Mr. Hartwick: Timing is important.

ITEMS FOR DISCUSSION

Mr. Haste: We have items for discussion. We have some alternative appointments to the HATS Board for next week. We have a grant-in-aid application. Is there any need to discuss those at this point in time? (There was no discussion)

- A. Alternate appointments to the HATS Board:
 - 1. Eric Bugaile – alternate for Ron Marsico
 - 2. Tim Reardon – alternate for Jim Szymborski

- B. Grant-in-Aid Application and Grant Agreement for Improvement of County Adult Probation Services for FY04/05 Continuing Program.

SOLICITOR'S REPORT

Mr. Tully: I have no changes in the report but would take the opportunity to perhaps clear one of those errors in the media outlet that was referenced which would be the resolution at the last meeting was nothing more than an attempt to address the issues that were brought forward basically saying if Manatron intends to proceed with any reassessment, that they need to come into compliance with the other software

contractual obligations. That's all that resolution was. That resolution was probably never viewed by that media outlet and was certainly called a lot of other things.

Mr. DiFrancesco: If I'm not mistaken, the resolution was printed in the outlet. I think the issue is that no outreach was made to the Board or the solicitor's office to identify exactly what the purpose and cause was. In fact, I think it was interrupted incorrectly and spun incorrectly and unfortunately had a very negative response in the public and more misinformation being spread.

Mr. Tully: I just point out there was never an inquiry to our office for clarification.

Mr. Hartwick: I do appreciate having my number and my email listed. I think we should have more people contacting the Commissioners' Office to be involved.

Mr. DiFrancesco: Let me make a point too, because that is a good thing. They contact us, that gives us an ability to then turn around and provide explanation and understanding to the general public. What is not helpful at all is the volumes of occasional hate mail that comes in, that is unsigned. The bottom line is if you put your signature on it, we welcome your opinion. We don't begrudge anybody their opinion. But then it gives us an opportunity to clarify anything or at least let people know what is going on in reality as opposed to, unfortunately what they are seeing, which is not always accurate in certain media avenues. Again, from a public perspective I welcome comments. Comments are different from the opinion of this Board. We welcome that. But please put your name on it and give us the opportunity to write back and contact you. This is an open process. We are open to public opinion.

CHIEF CLERK REPORT

Ms. Nace: I would like to report two executive sessions held one on July 16, 2004, regarding personnel and July 26, 2004, regarding personnel and potential litigation.

PURCHASE ORDERS

Mr. Baratucci: Hopefully, you all received your packet yesterday. As usual there are a few budget issues that Mike and I will work on between now and next week. If you have any questions on any of the items, I can answer them for you. Otherwise it will be held over for next week and we'll get all the budget issues all cleared up before you vote on it.

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

COMMISSIONERS' DISCUSSION & ACTIONS

Mr. DiFrancesco: An issue that I believe each of you has been copied on that will be coming out. We will need to have an Election Board Meeting at the next Workshop Meeting to discuss a proposal that's been given to us by Susquehanna Township to

realign some of their wards within the township. Basically we could take the time at the Workshop Meeting to discuss the proposal but the next step would be to actually hold a public hearing to move forward on whatever action we may want to take. At this point, that is the only request that has come before us. But the Election Board will need to meet at that Workshop. Depending on what we decide based on debate, we can move forward with a public hearing.

Mr. Haste: We can have someone from Susquehanna here?

Mr. DiFrancesco: It is my understanding that there will be the appropriate officials here to brief us. Susquehanna Township will be represented. I was informed that this request came to us and this was not in the letter that was given to you but supposedly this came at a 9-0 of their Board of Commissioners. I think that was important. So we can move forward and act on that.

Moving onto the topic of the day, a lot has been said here on the tax assessment issue. I do think it is unfortunate that for a number of reasons the public is not given an honest and true understanding of what the issue actually means, because I think for the most part the public would understand they are more at risk through us not taking action than through us taking action. Moving onto a different aspect, I want to echo some of the comments that have already been said by my fellow Board members. Simply said, this is an opportunity that we cannot miss to say once again, how strongly we believe local tax reform in Pennsylvania is critical and necessary. This is an issue that has been floating out there that the State Legislature could have acted on for a very long time. Unfortunately, I don't think they totally grasped the issue up until recently. I honestly believe now at this point they are starting to grasp that issue. I think it is unbelievable that a proposal like gambling can come forward in this state, be promoted as an opportunity to reduce people's taxes and in reality what you are looking at, at best is probably maybe one year, maybe two years of relief and then we are right back at it. So now we have gambling, we have a renewed deficit probably at the state level because they have already eaten up that gambling money and we don't have local tax reform. In reality, Pennsylvania homeowners will be at risk until the property tax is eliminated. Some of the categories that Jeff had mentioned in terms of new family struggling to get by and own a home, which is so critical to the family unity and a community as a whole, is that we promote homeownership; and the senior citizens who have worked so hard their entire lives to maintain a home and now they lose their home because they can't afford to pay their property tax bill, is just plain wrong! I've said it before, much study has to be done but the bottom line is at very least if you impose an income tax from those that are generating income, those that can afford to pay the tax will pay the tax. We saw it and I think Jeff you probably remember this, I believe it happened when you were here as Chief Clerk, the picture in the Patriot News where the Sheriffs are going in and taking a little old lady out of her house, should not and cannot happen in this community. We are mandated to provide services and we got to pay for those services with the only avenue that we have which is the property tax. Again, it is a wake up call. I do believe that more and more members of the state legislature are coming on board and more and more are willing to stand up and see the problems in the system and are

willing to take on the challenges. I know there are a number of proposals out there right now. Some of which we're looking at; some would use sales tax; but the bottom line is until we eliminate the property tax; homeowners will continue to be at risk in this community and that is simply unacceptable! That's all I have to say.

Mr. Hartwick: Just two quick comments. The first one is, we talk about mandated services and the antiquated property tax system; but I will assure you that we came into this job to set the financial house in order in every area that we can and are not mandated to provide services. We are currently looking at ways to maximize our revenue through information technology, through tax assessment, and doing it outside of the property tax increase. We are looking at rich health care benefits and trying to look at ways to renegotiate and put ourselves more in line. We are from a management perspective holding the line on our vacancies, making significant personnel decisions that have a direct affect on our bottom line. We have not thrown our hands up and said, oh, there is nothing we can do because we have been mandated by the state to do this, even though those mandates weigh around our head and often times don't allow us to look forward. From a management perspective, I want the public to know this Board of Dauphin County Commissioners is doing everything within our control and our authority to take a look at enhancing revenue, reducing the expenditures, eliminating government waste, and trying to find ways that we can be creative to ease the burden from our taxpayers. We are coming in earlier and staying later to try to keep the government cost down. We are not out here promoting personal projects. We are not out here spending additional money. This year has been one that we had not seen a whole lot of real investment in areas that we can provide return and growth. We're trying to streamline economic development and focus towards areas that can provide additional enhancement to our revenue, but quite frankly we don't have the resources because of the way we are strapped to invest in real opportunities to provide additional growth. That's where we want to go to the next three years but until then, we need to tighten our ship. I think so far it has been a challenge understanding county government but I feel pretty good about where this Board is at in the decisions that we made and how we are moving forward in reducing those expenditures. The County nursing home, the pension, the health care benefits, I mean those are all things, some we can control, some we cannot. But the areas that we can control, we are taking proactive steps in order to get a reign in on spending.

Just one inaccuracy and it just indicates how a certain media outlet has blown things completely out of proportion that I wanted to correct initially. It says in here, now the County Commissioners have voted, and I want to see legally what we can do about this because we have not voted, to award the same company who has not done the job for us another \$7-8 million contract. Number one, that is not even close to what we are talking about. It is absolutely absurd to make that assumption. Then it says, we would like to know if the County Commissioners really believe that it would take \$7-8 million in legal fees to go after this company, gross inaccuracies. I could point out at least ten things that were said in the last article that are absolutely untrue. For the record, I've asked and contacted that particular media outlet to sit down and talk about the real facts and to no avail. I have been turned down for the opportunity to sit down. Again, I will

repeat the statement, don't let the facts get in the way of a good story. I think I would encourage those individuals to come and ask the questions and allow them to be part of a debate. We want to hear why we shouldn't be doing this as well. I would like to be hearing what the opposing points of view to us going and doing the market valuation and realizing those.....you know we need to consider all sides. For me to say and for us to say, that we know it all, we understand all angles; we realize that we have a lot to learn. To hear why we shouldn't do this, in light of the facts, would be a critical component to us making a decision to this process and when it comes time for people to present that type of testimony and evidence, I see a bright chair with none of those folks present to provide the questions that we need to answer. Instead they prefer to sensationalize it and to sell papers which is not the way we need to be informing the public and opening this process up and allowing them to be part of the debate. Again, the only thing that I do appreciate from the articles that were written, was our number and email address and hopefully we will be able to get the correct information out through individual contacts. We will be responding to folks who have concerns and legitimate concerns and we will weigh anybody's opposition to this issue very heavily as we determine where we are going to go with the tax market valuation process.

Mr. Haste: First off, Nick the situation that you discussed on Market Street, I think her name was Mercedes. That has stuck with me so much that when I was in the Legislature, that was one piece of legislation that I was able to get passed. It was a bill that dealt directly with that. At that time I couldn't even get anybody in the Legislature to pay attention for the need for real tax reform. We at least we able to get a notification system so that when a person in this situation fell into that category they are at least able to be notified and try to involve some other social services to keep that person from losing their home. That situation that you referred to struck a very hard cord with me. I remember that well.

To correct some things that were misstated in the local weekly, clip and paste paper. Jack, I'll take this as an opportunity to commend you for at least doing your homework. We may not always like what we read but I'll give you the credit that you do your homework and try not to sensationalize and actually report it unlike some of those with hidden agendas in the clip and paste industry.

To set a couple of records straight, I was not Chief Clerk in 1998 when Manatron moved forward even though after a headline saying that, I make waste, it said that I did that. If you want to hand that to me (newspaper), the only thing that I use that for is, I do fish, I keep worms on hand and worms like to use that quite well in their bedding. The other thing to clarify in there it said that, since I have become Chairman or joined the Board, the number of employees went up. If that person had decided to do their homework as opposed to listening to some folks that she was listening to, the payroll has actually gone down by 73 positions and not up by 50 as was misquoted in the paper.

I think some of that is driven by that, if you even look at that when we looked to eliminate those positions, I started to do that early on. Three of the positions, I think struck a cord with that particular person and some of her informants, were three high

paid management people. I think we saved about \$330,000 just in those three positions. I think the record if anybody cares to look at it, has been very clear that I and this Board have taken our responsibilities rather seriously in trying to make sure that we maintain the level of personnel that we have to a minimum while still providing quality services. I think for the most part we have been able to do that. I hope you do get that meeting because, I think that person....I wish that newspaper would become a little more enlightened instead of trying to sensationalize all the time. I was actually looking forward to someone from that outlet being here today. If in fact that person does happen to read these minutes, I want them to know they are welcome to be here and it would make their life and ours a lot easier if they would hear things firsthand, ask questions firsthand and not live in the rumor mill. Hopefully, these minutes will get there.

PUBLIC PARTICIPATION

Mr. Haste: Can you please come up to the microphone so we can record it.

Mr. Coleman: Thank you for giving me this opportunity to come before this Board of Commissioners. My name is John Coleman. I serve as Chairman of the African American Chamber of Commerce of Central Pennsylvania. Some of you I know and some of you I do not know and some of you I know a little bit better.

I wanted to come down here and make some comments and share information with this body with regards to the district justice office that is going to be constructed on Cameron Street. Particularly, I wanted to talk with you very briefly about MBE, WBE compliance related programs handled through the African American Chamber of Commerce of Central Pennsylvania. Saturday there was information mentioned in the newspaper as well as at this meeting with regards to fair labor standards as related to prevailing wages.

We believe that as a Chamber we can be very, very helpful to the County as well as Triple Crown in assuring that there is an adequate number of female and minority participants in the building project that's going to be handled through your office.

We would like to think as a result of being involved we can insure that there is adequate opportunities for persons coming out of the African American community particularly those persons that reside in the community that is going to be affected by this office that is going to be constructed. As a result of this I've come to you to plead to you to give consideration to the use of the African American Chamber of Commerce to involve themselves with contract compliance. I believe that all persons throughout the County and throughout the immediate community will benefit by such action.

Commissioners: Thank you very much.

Mr. Hartwick: I will get in contact with you John about that issue.

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

ADJOURNMENT

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

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