



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

THURSDAY, SEPTEMBER 4, 2003

10:00 A.M.

MEMBERS PRESENT

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

STAFF PRESENT

Robert Burns, Chief Clerk; Julia E. Nace, Assistant Chief Clerk; Marie Rebuck, Controller; Bill Tully, Esq., Solicitor; Bruce Foreman, Esq., Solicitor's Office; Robert Knupp, Esq., Solicitor's Office; President Judge Joseph Kleinfelter; Richie Martz, Commissioners' Office; Kacey Truax, Commissioners' Office; Rick Wynn, Human Services Director; Gary Serhan, Deputy Controller; Steve Chiavetta, Director of Registration & Elections; Faye Fisher, Personnel Director; Carolyn Thompson, Court Administrator; Phil Intrieri, Deputy Court Administrator; Randy Baratucci, Purchasing Director; Greg Schneider, Budget Office; Edgar Cohen, Facility Maintenance Director; Garry Esworthy, Risk Manager; Diane McNaughton, Communications; Jennifer Kocher, Communications; Mike Pries, Security Director

GUESTS PRESENT

Andrew Dowling, Esq.; Chris Bryant; Jacqueline Jackson DeGarcia; Loretta Barbee-Dare; Kim Schaller

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: On the Agenda we have four sets of Meeting Minutes that we will forward for approval next week.

ELECTION BOARD

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

TEFRA HEARING

(A TEFRA Hearing was held and the Minutes are on file in the Commissioners' Office.)

PUBLIC PARTICIPATION

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

PERSONNEL

Ms. Fisher: Good morning, Commissioners. There are two salary board items in today's packet. The first is for Adult Probation to create a part-time temporary probation officer position. The second salary board transaction is to eliminate a per diem RN Supervisor position and create a part-time RN Supervisor position for Spring Creek.

Moving into the regular personnel packet, we have the workshop agenda vacancies listing and all of these positions have been approved by Mike Yohe. They were presented to Mike Yohe and he provided feedback this morning.

Next we have the workshop agenda new hires listing. There is one new hire, which is new hire #4, that I would ask the Board to vote on and approve today. Commissioner Henry this is the one that you gave prior approval.

Mr. Henry: For Register of Wills Office?

Ms. Fisher: That is correct.

Mr. Henry: I believe they had an individual that started and quit after less than two weeks on the job.

Ms. Fisher: Actually, I think it was two days.

Mr. Henry: Two days!

Ms. Fisher: Next is the workshop agenda changes listing, the overtime report for pay period #16, and finally there is an overtime request from the Prison.

Mr. Haste: Are there any questions for Faye? Hearing none, I entertain a motion to approve item #4 on the workshop agenda new hires listing.

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: Is there any further discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

TRAINING PACKET

Mr. Burns: Commissioners, today's packet has seventeen items. They all have been preapproved by the oversight commissioner. They all can be carried over to next week for action.

PURCHASE ORDERS

Mr. Baratucci: Commissioners you all should have received your purchase order packet this morning. There are no unusual items in the packet. There are a couple of budget items that need to be fixed as usual and they will be between now and next week. If you have any questions I'll answer them otherwise we can carry the entire packet over for next week.

Mr. Haste: Are there any questions for Randy?

Mr. Baratucci: I would like to mention that I enjoyed golfing in the United Way outing yesterday.

DIRECTORS

HERSHEY CAPITAL REGIONAL VISITORS BUREAU

Mr. Haste: At this time, I would ask that Dan Robinson and Janis Schmees come forward for a presentation on the Hershey Capital Regional Visitors Bureau.

Ms. Schmees: I would like to start with a video that talks a little bit about what is a CVB and what is it here for. I would like to show that and then we'll go into the presentation.

(A presentation was given by Ms. Schmees and is on file in the Commissioners' Office)

I have a couple of people that I would like to introduce. Dee Fagan is Chairman of our Board. She owns a Bed and Breakfast.

Ms. Fagan: I appreciate and acknowledge the efforts of the Visitors Bureau. As a small business I need help with advertising and anything they can send me which is a fair amount of business is very much appreciated.

Ms. Schmees: Jason Sheaffer.

Mr. Sheaffer: Thank you, Janis for the great job that you did and thanks for giving us the time and your support. There is a lot of competition for business leisure and convention travel. We would like to see our area get the share that we deserve. We have a lot here to offer.

Mr. Bryant: Our organization was formed three years ago and we had the same concerns that you probably have today with the CVB. I think you were instrumental in making those changes. We're very happy that changes have been made and we're heading in the right direction. They're professional and have tracking mechanisms. They have a focus and a staff that is now going after markets that we need to go after. As a hotel, you think heads and beds and you people think that we're in just for ourselves well we're generating those taxes. It is very important that we take hotels to the maximum capacity. We appreciate your time and effort and continue what you are doing.

Kim Schaller: I'm from the Hershey Entertainment and Resorts. I believe there is more magic in this region. I've been doing this for twenty years in three states. From our perspective there is more competence currently in the existing bureau than there has been in years. We're delighted and appreciate the support. Any funding is absolutely essential to our success. Thank you for your time.

Mr. Haste: Dan do you have anything to add to that?

Mr. Robinson: No.

B. *Bob Burns,*

1. *Discussion of Dauphin County General Authority properties potential transfer of properties to Industrial Development Authority and status of 100 Chestnut St. leases after 2006.*

Mr. Burns: Last week the Commissioners discussed the possible refunding of bonds on the 100 Chestnut Street project. The Board asked me to report back on a couple of issues that required some research.

The first one was, what would the ramifications be of transferring General Authority properties to the IDA. I met with Dan Robinson, Skip Memmi and Pete Carlucci, Solicitor, to the IDA to discuss the issue. Of course, the IDA Board will do whatever the Board of Commissioners directs them to if you would like them to consider any transfers. However, they pointed out that the IDA has no assets and they would need to consider any potential transfer on a case-by-case basis to see if the finances made sense for the IDA to do it. We were also asked to look into what kind of fees are involved in any type of transfer. If we use the proposal of last week as an example, the proposed transfer of 100 Chestnut Street, that is about a 3.5 million dollar bond issue. The total professional fees for that issue would be \$71,000. I should also point out that when that transaction was done originally in 1998 for 100 Chestnut Street, the professional fees in that matter were \$113,488. So they have come down quite a bit. But obviously depending upon the cost of the bonds and the amount of money being borrowed the amount of the fees will differ.

The second issue that you asked us to look into was what ramifications there might be on the County's general fund if the Board does not authorize the refund of the bonds that the General Authority had requested. We've looked into that and perhaps the first point to make is that all the debt on 100 Chestnut Street is paid by the County not by the General Authority. The General Authority really has nothing at stake in this. It's all general fund money. The primary impact of this bond transaction relates to the 35% of the 100 Chestnut Street building that currently can be leased out to non-tax exempt entities. That ability will expire on January 1, 2006 if the Board takes no action. The bonds will be paid off in 2018. So the impact to the County will be that from 2006 through 2018 which is a thirteen year period, the County will need to pay the lease rental on the entire building whereas today we pay the lease for 65% of the building and the remaining 35% we lease out to non-tax exempt entities. In terms of dollars and cents, that will equate to \$128,000 per year that the County will be paying effective 2006 through 2018. Over the life of the bond, that would come out to approximately 1.664 million dollars. Currently, the County has a master lease. We pay the entire debt and then we sublease out space. So the end result to the County would just be that we

would be losing that 35% of revenue that we currently capture. The General Authority has asked us to reconsider the ordinance that was proposed last week and I have that as an agenda item should the Board want to consider that. Tom Smida is here to answer any questions you may have.

Mr. Haste: Bob, could you again go over the whole issue of the IDA taking over, what are the roadblocks?

Mr. Burns: You will recall that Bob Knupp talked last week. The IDA has no assets. They will need to look at the costs involved to transfer it and as I said in this transaction the cost would be about \$71,000 for the General Authority to do it. The General Authority has also indicated to us in a letter they sent on August 27th that should there be a transfer they would require some kind of compensation. So, I don't think it would be a strict transfer of the property. There would be costs involved.

Mr. Robinson: I think in response to the Board's question, the IDA could accept transfer of the property if the Board of Commissioners so directed. We would need the Board to guarantee the funding which I believe they currently guarantee now by paying the debt service payments on the building whatever that number is. The answer in short is that we could accept the transfer.

Mr. Haste: I understand but I thought we can at a cost. What is the bond issue now?

Mr. Smida: \$3,845,000.

Mr. Haste: \$3.84?

Mr. Smida: Right.

Mr. Haste: It is my understanding that the General Authority would actually sell this so the issue would probably be higher than \$3.84 million.

Mr. Smida: It would be necessary for it to be in excess of, but it would simply be refunding the existing debt.

Mr. Haste: The other point I heard was the delay in time which would mean there may not be a savings.

Mr. Smida: That is correct, too. We are in a very volatile market situation right now. I should point out that this transaction is not being driven by the savings component primarily.

Mr. Haste: No, it's the potential leases.

Mr. Smida: Yes, it is the potential lease situation.

Mr. Haste: That being the case, if the timing is not accurate does it make any sense for us to move forward with the General Authority now and if the ongoing thing is the issue with the IDA that we look at that when the market is better or when the IDA is a position to look at their assets and know whether they want to do this or not? There is nothing that stops that occurring in the future.

Mr. Smida: No, the situation with the General Authority is that this refunding would be the last refunding that we would be able to do. So if the IDA were in a position to accept this project, it would have to issue its own debt, take out the General Authority's debt, and restructure the leases for the remaining term of the balance of that new obligation. There are little hiccups along the way but I'm sure it could be accomplished.

Mr. Haste: My biggest concern on this whole thing with the delay or us not doing anything is in January of 2006 placing another burden on the general fund that I don't think should be there. I think by not taking some action we are in a position where we are only going to adversely affect our general fund balance. I think there is an opportunity to minimize that.

Mr. Smida: Were you to do nothing, that is certain.

Mr. Petrucci: I was quite offended at the General Authority's letter in response to our discussion on this issue from last week. I'm amazed at a General Authority that was created by this Board, by a Board of Commissioners, not this particular Board, to help serve the interests of the citizens of Dauphin County yet it wants to make a profit off of the citizens of Dauphin County by having them pay more than what is actually owed on the Chestnut Street Building. There appears then to be a concern for profit by the General Authority off of the taxpayers yet no consideration about profit when they paid an unusually large price for private sector property like Forum Place and others. I'm also disappointed in the General Authority taking advantage of another opportunity for the County citizens to undertake some service rendering and reduce its costs and also provide a valuable asset for the County by abusing the golf course. The Authority has loaned money to the Golf Course and has charged an interest rate far in excess of what is customary. The Authority is charging the Golf Course 6% interest and yet the refinancing before us today from the Authority is at an interest rate below 4%. In my mind the General Authority is only continuing to exhibit indications that it is an authority doing its own business and not that of the County at all.

Last time this Board tried to undertake some constraints onto the General Authority, it responded by wanting to change its name. In my mind the General Authority by its actions has already changed its name. I would call it, the Republican Party General Authority or the Lower Paxton Republican Party General Authority. I wouldn't call it a Dauphin County General Authority.

In regard to the rental space, Chestnut Street is a pretty small building already. If we were really concerned about occupancy, why would we be sending off our Drug & Alcohol Department to some other property that we are trying to get built by some

developer who couldn't make a go of it over on Cameron Street. I wouldn't think this is about rental leases at all. I think it is a dodge of an issue which is an authority out of control.

Mr. Henry: As Ronald Regan once said, "There he goes again". Beside from that I have no comment.

Mr. Haste: Actually, in many ways, Commissioner, I agree with you. I think no one would dispute that the General Authority has been misguided in some of its efforts in the past. I do get a sense that some of them are trying to rectify some of that. I think a few of the current board members that I have talked to are very aware of the past problems of the Authority and would like to correct that as well. I'm not sure we are there 100% yet.

As far as the leasing issue being a dodge, I would say this. It is not a dodge on my part. I happen to concur with you and actually Commissioner Henry has pointed out in the past too the errors of the General Authority and where they have gone. The issue of the 2006 rentals is a real issue with me. It is not a dodge. In my mind a major concern, if it was not for that and was not for the fear of adversity affecting the General Authority, I would be standing behind you and I still think there is a way to do that. As we move forward there needs to be an effort to keep an eye on the General Authority and all of the authorities. Even the IDA, I think they all do good things. There is a responsibility on behalf of this Board to keep an eye on all authorities to make sure they do not lose site of their mission and when that occurs, we need to engage in bringing them back on track. However, if we do not take action I think we are adversely affecting the general fund in January of 2006 with the leases. My only goal would have been had I been aware of this sooner, I would have actually liked to have seen this closer to a 50-50 taxable non-general obligation bond so that we had a little more flexibility. But that not being in front of us and the ability to have 35% of this funded by non-governmental entities, I think we need to move forward.

With that I would once again make a motion to adopt Ordinance #3-2003. I think we ought to do that again so that we do not put the County in a bad situation come January of 2006 so that we are able to renew those leases that are available now. I think it needs to be, I'm saying this to Dan so he can take it back to his board, an ongoing discussion to see if in fact it does at any time make sense to transfer that over and get control of that building. I'm not saying that it is. I'm just saying it ought to be something that we continue to take a look at and have discussions with the General Authority to see if at any point in time that transaction makes sense. As I said, I made a motion to adopt Ordinance #3-2003. Is there a second?

2. Ordinance 3-2003 of the Board of Commissioners of the County of Dauphin determining to incur debt in the Aggregate Principal amount not to exceed \$3,850,000 in connection with the refunding by the Dauphin County General Authority of its tax exempt lease revenue bonds Series A of 1998 and its federally

taxable lease revenue bonds Series B of 1998, both previously issued in connection with the acquisition of 100 Chestnut property.

Mr. Henry: Last week I abstained from voting because I wasn't sure whether or not I would have an ethical conflict in voting on this issue. I have subsequently asked our solicitor's office to review the matter and advise me. It is their position that the benefit of this action accrues to the general fund of Dauphin County. They also further advised me that there would only be an ethical conflict if I personally were to benefit financially from this specific action. I'm neither a bond counsel or financial advisor so I will not. Therefore, I'll second the motion.

Mr. Haste: Is there discussion?

Mr. Petrucci: It appears to me, Mr. Chairman, that my colleague is going to be receiving from the General Authority about the same amount that this issue is about to save in regard to income. I do think he has a personal attachment to the outcomes of the Authority's business. So I am surprised to see that he is accepting what I consider tainted legal advice.

Mr. Haste: Any further discussion? All those in favor say, aye.

Mr. Haste: Aye.

Mr. Henry: Ask for a no vote.

Mr. Haste: Those opposed?

Mr. Petrucci: No.

Mr. Henry: Before I cast my vote, assuming that the minority Commissioner would have such comments to make, I further had our legal department research the Ethics Act and will point out that under 63 Purdon's Statute subsection 1103.J the Ethics Act does make a provision for voting conflicts on three member boards. I'll quote the applicable portion of the law "in the case of a three member governing body of a political subdivision where one member has abstained from voting as a result of a conflict of interest. And the remaining two members of the governing body have cast opposing votes the member who has abstained shall be permitted to vote to break the tie vote if disclosure is made as otherwise provided herein." In other words assuming that I had an ethical conflict, which I have the solicitor's advice that I don't, but even assuming if I had, the Ethics Act under subsection 1103.J would permit me to vote having stated that

potential conflict which I have. Therefore, having stated a potential conflict in accordance with the Ethic Act, I vote, yes.

Mr. Haste: Motion carries, two to one.

Mr. Petrucci: As a tensile issue would Item B under Items for Discussion relate to this motion?

Mr. Haste: We are talking about two different buildings.

Mr. Petrucci: There two different buildings?

Mr. Burns: Correct.

Mr. Haste: That was on the Chestnut Street property and this is on the Human Services Building.

(The entire Ordinance is on file in the Commissioners' Office)

ITEMS FOR DISCUSSION

Mr. Haste: I see some are for action. We have Items A through M. We need to take action on A, B, C & D. I'll then ask Mr. Burns to explain those four to us. Are there any other discussions on E through M? If not, we will have them before us at next week's meeting. Bob do you want to go over A through D?

- A. Ratify a Harrisburg YWCA's Access and Visitation Grant proposal for Dauphin County Domestic Relations. **(***NEEDS VOTED ON 9/04/03).**
- B. Resolution No. 22-2003 establishing the operating costs attributable to the rental area of the Dauphin County Human Services Building for FY02/03. The applicable rates are as follows: \$14.96 sf for rental and \$13.09 sf for the building expenses. **(NEEDS VOTED ON 9/04/03)**
- C. Adopt Resolution No. 23-2003 authorizing the Dauphin County Economic Development Corporation the funding agent for the 10% of the 2% Hotel Tax. **(***NEEDS VOTED ON 9/04/03)**
- D. Lease agreement with Triple Crown to lease office space for D. J. #12-2-04. **(***NEEDS VOTED ON 9/04/03)**

Mr. Burns: Item A, is a routine continuing grant that Domestic Relations has with YWCA. I don't believe there is any County match. There is a deadline and that is why we are asked to vote on that today.

Item B, we do that every year. We establish the rental rates and that is a collaborative effort between the Controller's Office and Human Services. That is a routine matter that we do yearly.

Mr. Haste: Those are for reimbursements, right?

Mr. Burns: Correct.

Mr. Henry: So we get the money from the state?

Mr. Haste & Mr. Burns: Correct.

Mr. Burns: Item D, is a lease agreement with Triple Crown for one of the two new district justice offices in the city. We have discussed that in the past as a real estate matter. Although it is coming for a vote at Workshop, we have discussed that in the past. Again, that is a timing issue. That is why we are being asked to vote today.

Item C, I know we have discussed in the past as well, but I would like to defer to Dan to give any detail on that and why it may need to be voted upon today.

Mr. Haste: Which location is this? I don't know it by number.

Mr. Intrieri: This is for district 12-2-04. It is one of two new districts that has been established and approved by the Supreme Court of Pennsylvania. This one would be located on 1805 N. Cameron St., Harrisburg. It is a new district that will fit in between District Justice Pianka's district in the northern most part of Harrisburg and District Justice Solomon's district just below it.

Mr. Burns: And Triple Crown will build and we will lease from them, is that correct?

Mr. Intrieri: That is correct. Triple Crown will build and we will lease from Triple Crown. There is an option to buy. It is not an obligation but an option for the Commissioners to buy it if they might consider in a year or so.

Mr. Haste: Okay. Dan, back to you.

Mr. Robinson: Since July of 2003, the Board took action to freeze monies out of the 10% of the 2% Hotel Tax. This action today would designate a new fiscal agent, the Dauphin County Economic Development Corporation. We as the fiscal agent continue unless otherwise directed by the Board to keep in place the 2003 fund for the 10% of the 2% which would still allow funding to go to the Tourist Promotion Agency as well as other obligations.

Mr. Haste: Is there a need to vote on that today as opposed to Tuesday?

Mr. Robinson: We can carry it over. We do have some financial obligations that we do want to pay but it could be held until Tuesday.

Mr. Haste: The same thing with B, is that critical that we do it today since this is a Workshop?

Mr. Burns: Mike Yohe sent an email asking that it be voted on today. I don't know the reason why.

Mr. Petrucci: I want to make a comment about Item C and this resolution that puts the fiscal agent of our Hotel Tax onto the Dauphin County Economic Development Corporation. The procedures, I have often in the past been at odds with the methodology of the expenditure of the hotel tax in regard to a lot of it being spent without it coming for Board approval. Am I assured by passage of this resolution that the nature of the expenditures will be considered by this Board before any action is taken by the Economic Development Corporation?

Mr. Knupp: If you read paragraph 5-C, it states that the account shall not be disbursed without a proper motion of the Board of Commissioners. We thought that would meet with your approval.

Mr. Petrucci: My problem with that is that same provision was in the last resolution that we had passed and yet the operation of it didn't seem to follow that. Will you read that paragraph sentence again?

Mr. Knupp: It states, a separate account shall be established by the Dauphin County Economic Development Corporation for receipt from the hotel tax, which shall not be disbursed without a proper motion approved by the Board of Commissioners of the County of Dauphin.

Mr. Petrucci: Without a proper motion?

Mr. Knupp: Yes, Sir.

Mr. Petrucci: That is clearer.

Mr. Robinson: I would say since the 2002 budget, we have also included a separate line item in the county budget packet along with the expenditures. Once again that is 10% out of the 2% not the 1% that was voted on. The 1% was also included on the county budget website.

Mr. Haste: Dan, I would like to see this as part of your budget presentation so that it is clear during that process, the intent of where the funds are going. And those groups that are applying for those funds, I would like to hear from them as to the expenditure of the funds. That way everybody is aware, including the public, of where these funds are going and the input that can be had at that time.

With that, is there a motion to take Items A through D at this point?

Mr. Henry: So moved.

Mr. Petrucci: Second.

Mr. Haste: Any discussion? All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

SOLICITOR'S REPORT

Mr. Tully: No changes to the final report which was submitted late yesterday afternoon. Open for any questions.

COMMISSIONERS' COMMENTS

Mr. Haste: Are there any additional items to be brought before the Board by the Commissioners or any comments?

Mr. Petrucci: I would like to mention a very successful effort by all of the county staff that worked on the United Way fundraiser golf tournament. We were able yesterday to hand over \$28,000 from a rainy day but very successful golf tournament. I appreciate all the work that was done by all of the staff both here in the Administration Building and all at the Prison who worked very hard on the project.

Mr. Haste: I would echo that. That was a fun event. It is always good to see us helping our partners out with that. As I mentioned at the kickoff the golf outing, I think it is wonderful that the employees put so much into the outing. Because of state budget cuts, a lot of the agencies that we must work with to fulfill our obligations to the citizens are being picked up by the United Way during this budget shortfall. It was heartwarming to see employees get out there doing what they could to help with our partners.

Mr. Henry: I don't know what pull the Warden has but the rain stopped during those four or five hours, too.

PUBLIC PARTICIPATION

Mr. Haste: We are back again on the portion of the agenda for public participation. At this point in time is there anybody in the audience that would like to address the Board of Commissioners? Seeing none.

ADJOURNMENT

Mr. Haste: I will entertain a motion to adjourn.

Mr. Henry: So moved.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

Transcribed : September 4, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff
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