



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

THURSDAY, NOVEMBER 6, 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; Robert Dick, Treasurer; Phil Spaseff, Recorder of Deeds; Bill Tully, Esq., Solicitor; Bruce Forman, Esq., Solicitor's Office; Robert Knupp, Esq., Solicitor's Office; Guy Beneventano, Esq, Solicitor's Office; Carolyn Thompson, Court Administrator; Gary Serhan, Deputy Controller; Rick Wynn, Human Services Director; Faye Fisher, Personnel Director; Kay Sinner, Personnel Office; Randy Baratucci, Purchasing Director; Garry Esworthy, Risk Manager; Richie Martz, Commissioners' Office; Jane Gordon, Commissioners' Office; Kacey Truax, Commissioners' Office; Mike Yohe, Budget Director; Edgar Cohen, Facility Maintenance Director; Jennifer Kocher, Communications; Diane McNaughton, Communications; Shari Eagle, Information Technology; Melanie McCaffrey, Solicitor's Office; Mike Pries, Safety & Security Director; Sharon Ludwig, Personnel Office; Kelly Wolf, Recycling Coordinator; Warden DeRose, Prison; Mark Templeton, Prison

GUESTS PRESENT

Chris Grothe; Stephen Hetrick; Adelaide Helen Steely; Robert Nepeleod; Loretta Barebee-Dare; Loretta A. Adkey; Jack Shertzer; Chuck McLister; Andrew Giorgione; Tom Smida; Dan Lispi; Glenn Williard

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 a series of Minutes for approval next week, October 14, 2003 Salary Board Minutes; October 21, 2003 Workshop Minutes; October 28, 2003 Legislative Minutes; October 28, 2003 Salary Board Minutes; and October 28, 2003 Election Board Minutes.

PUBLIC PARTICIPATION

Mr. Haste: This is the time and place in the Meeting for public participation. Is there anyone in the audience that would like to address the Board of Commissioners at this time? (There was none.)

PERSONNEL

Ms. Fisher: I will ask Kay Sinner who is a new employee in my department as the County's Employment Manager and Affirmative Action Officer to go through the personnel packet as well as a brief discussion on the Spring Creek Handbook.

Ms. Sinner: The first item for your review is the Salary request for a temporary Administrative Assistant I. We have next the workshop agenda vacancy listing and the workshop agenda new hires listing. I ask that approval be given today for both the Salary Board request item and the waiving of the benefit period for the temporary Administrative Assistant I and hiring of new hire #9. This person will be filling the new position. The next item is the workshop agenda changes listing. There are overtime reports for pay period #21 & #22. I would also like to call your attention to a request from the director of EMA for an employee from that department to carry over vacation time into 2004. There is an email that explains the reason for this request. Another item is a request from an employee in Information Technology to apply for the educational incentive program. There is a memo regarding that in the packet. Finally,

there is a request for overtime at the Prison. There is a memo from Mark Templeton regarding that.

Mr. Haste: Faye, does the educational incentive request fit our criteria?

Ms. Fisher: Yes, it is outlined in the employee resource guide and has been approved by Commissioner Henry.

Mr. Haste: Okay and thanks. Are there any questions for Kay or Faye? There is a request for Salary Board action. I would like to convene the Salary Board, that being the three Commissioners and Marie. Marie, did you get the information?

Mrs. Rebuck: Yes.

SALARY BOARD

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

PERSONNEL

Mr. Haste: We should take action on Item 9. This is the person that will fill that position.

Ms. Fisher: That is correct so this individual can begin employment on Monday.

Mr. Haste: Is this the only action we need to take?

Ms. Fisher: Yes.

Mr. Haste: Is there a motion to approve Item #9 of the personnel packet?

Mr. Henry: So moved.

Mr. Haste: Is there a second?

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Motion carries.

Ms. Sinner: The next item is the Spring Creek Handbook. Please review this and we ask for approval next week. If there are any questions, please contact me.

Mr. Haste: You are the author of it?

Ms. Sinner: Yes, I am.

Mr. Haste: So we can call you if we have any questions?

Ms. Sinner: Yes.

Mr. Haste: Okay, very good. I saw it this morning but didn't get a chance to review it yet.

TRAINING PACKET

Mr. Burns: There are eighteen requests today and all of them can be held over until next week. I believe they have all been preapproved by the oversight commissioner.

PURCHASE ORDERS

Mr. Baratucci: Commissioners, you should have all received a report yesterday for the items to consider next week. I don't have any additions or changes to it at this time. It can all be reviewed and carried over to next week.

One thing that I did want to ask is traditionally each year we have established a cut off date for requests for purchase orders so that we can get our end of the year figures in order. What I would like to do is send out a memo telling everybody that the meetings of December 2 and December 9, 2nd being the Workshop and the 9th being Legislative Meeting, would be the last two. We would bring them the traditional way through the workshop first and then approve them on the 9th. That would still leave the second set of meetings in December if there are any emergencies. It seems like there is always one or two things that come up. By establishing a cut off a little bit before the end of the year has helped us to establish everything toward the end of the year and get all our ducks in line. It will also help our budget. If that is okay with the Commissioners, I'll send out an email to that effect telling everybody they need to have their requests in for the workshop of December 2 unless you want to do it earlier or if you feel to change that. That would be my recommendation.

Mr. Haste: I'm fine with that.

Mr. Baratucci: Does anybody have any questions?

Mr. Petrucci: On page 1, the additional sample ballot costs. Could you explain that a little?

Mr. Baratucci: I wish I could. I wanted to talk to Steve but I didn't get a chance to. I'm thinking this might be with the changes in the ballot for the judges. They were going back and forth. I believe so. But I can double check on that with Steve. We did do one approximately three weeks ago for sample ballots. I'm thinking there were some

additional ones that needed to be printed due to the court rulings that came up in the meantime. I will double check with Steve and let you know. I'll let Kacey know prior to the meeting so that you have it before next week.

Are there any others?

DEPARTMENT DIRECTORS/GUESTS

Mr. Haste: Are there any directors that need to bring anything before the Board?
(There were none)

- A. Thomas Smida, Esq., Mette Evans & Woodside
Chuck Zwally, Esq., Mette Evans & Woodside
 - 1. Adoption of Ordinance #4-2003 authorizing and directing the Incurrence of Lease Rental Debt in a maximum aggregate principal amount not to exceed \$113,000,000 to be evidenced by a Guaranty Agreement of the County securing Guaranteed Resource Recovery Facility Revenue Bonds, Series D of 2003 and Guaranteed Federally Taxable Resource Recovery Facility Revenue Bonds, Series E of 2003 to be issued by The Harrisburg Authority.

At this time we'll have Tom Smida address Ordinance No. 4-2003.

Mr. Smida: I have with me this morning, Glenn Williard, from Public Financial Management.

As you know, one of the conditions to consideration of the Ordinance that is before you this morning was the enactment by City Council of the City of Harrisburg. This is an Ordinance to incur as a Lease Rental Debt Guarantee for the proposed Resource Recovery Retrofit Bonds. That occurred last night. There was a vote of 6-1. City Council enacted that Ordinance. We, as Special Counsel to the County, have undergone extensive review of the assumptions and financing proposals in connection with this project. We with your permission, have hired an independent consultant in the form of Public Financial Management to review the financial and economic considerations concerning this matter. We have also retained Herbert Rowland & Grubic as an independent engineering consultant to review the technological implications and undertakings of this project. We have prepared and submitted through counsel a preliminary memorandum discussing the assumptions, the analysis, the conclusions and the recommendations in respect to this matter. At this time, we are able to present to you the text of the Ordinance that appears before you. It was advertised as required by the Local Government Debt Act to incur Lease Rental Debt in a maximum aggregated principle amount of \$113,000,000. The guarantee as proposed that you will be considering is a secondary guarantee. The City has primarily guaranteed this debt and there will be funding of the debt service reserve fund to cover debt service in the event that there is a problem with the facility. The County's

guarantee is secondary. Based upon the assumptions that have been provided to us and the analysis that we have independently undertaken to review and analyze, we are in a position to recommend that you favorably consider the Ordinance that is before you.

I'm happy to discuss any of the questions that you may have with it. We have extensively reviewed, analyzed, and negotiated a reimbursement agreement that contains certain protections and redundancies if you will with the County. The draft of which does not accompany your Ordinance but we're still in the process of finalizing the guarantee agreement that is attached to it.

Mr. Lispi and Andrew Giorgione are here if you have any questions concerning certain assumptions and technological assumptions in connection with the project. Again, we are happy to answer any questions that you have.

Mr. Haste: Are there any questions?

Mr. Petrucci: No questions.

Mr. Smida: There is one more thing that I should mention. It is contemplated that as the bonds will be issued and because they are not finalized and not sold as yet, there will be what is known as a cap and swap agreement that will try to minimize the interest rate fluctuation exposure to the County and office of the Authority. The County will have to undertake the enactment of another ordinance to finalize that as well as to approve a qualified interest rate management plan as required by the new act that was recently put in place this fall. We'll have to appear before you again to finalize that.

Mr. Haste: That occurs after the closing so that we know.....

Mr. Smida: Right, it is not finalized at this point but we are attempting to try to bring things together simultaneously.

Mr. Haste: We need to know those numbers before we can take action.

Mr. Smida: That's why it is not before you today to approve. It is contemplated that the bonds will sell and will be sold within the next several weeks and we will be closing on this project by the middle of December.

Mr. Haste: Is there a motion?

Mr. Henry: I move adoption of Ordinance 4-2003.

Mr. Haste: Is there a second?

Mr. Petrucci: Second.

Mr. Haste: Is there discussion?

Mr. Henry: I wanted to clarify one thing. You made a comment that our guarantee would be secondary, actually, we would be third in line, correct?

Mr. Smida: Yes.

Mr. Henry: The Authority remains the first...

Mr. Smida: Primary obligator.

Mr. Henry: Then the City.

Mr. Smida: Then the City and then the Debt Service Reserve and then the County.

Mr. Henry: So we're actually four deep.

Mr. Smida: Yes.

Mr. Henry: In the way of the process. The only other thing is to make an observation that over the course of the last ten or eleven months there has been a lot of misinformation about the state of the County's finances and our financial health. I think it is interesting to observe that the City of Harrisburg was unable to proceed with this deal based upon their own credit standing. But that the County's fiscal position is such that we are strong enough to come in and be a guarantor of these bonds. The fact that our credit bond rating has improved a number of times over the last four years. We do in fact have the best bond rating of any third class county in the state. This is one of those places where it is a benefit to us and to the municipalities and the citizens of Dauphin County. The \$113,000,000 represents an obligation roughly equal to our total indebtedness as a County unit at this moment. It is an obligation and I think we have entered into with a lot of thought and seriousness and research and consideration because should we actually be called upon to pay it, if we had to pay the whole thing it would double our debt service in a year. It is probably not the best policy move that we could take. However, under the circumstances and given the importance of what it represents, in my view it is the only responsible step that we can take. I think we should keep in mind that it is a serious obligation and hopefully all will go according to plan over the next fifteen or twenty years until we get this paid off.

Mr. Petrucci: Mr. Chairman, I would like start by thanking you for your leadership on this issue and for getting us the expert opinion and advice that we needed from engineers, financial accountants, and others. I would also like to thank the citizens who have chimed in on many of the public hearings and expressed their concerns about how this County is going to be handling its trash in the future. I would close by simply saying it is a tough decision that we have to make. Waste is not one of those win win situations. I think that we have come up with about as good of a solution as we can for ourselves in the short run. In the long run, I would like yourself, envision that we have

regional handling of trash. This is a regional kind of impacting issue which should be handled as such. We haven't quite got there politically yet but I hope soon we will. I would also like to suggest that we have now an obligation to continue working with the City in the way that this unfolds for us and that is to say the negative spill over effects that could impact onto the neighboring communities needed to be watched very carefully by us and worked on by us. We have plans to facilitate recycling at that location. I think we have many departments both the Prison and the Juvenile Detention Center and others that could assist in cleaning up some of the litter that will necessarily fall off the trucks as they go back and forth to that location. So, I think this is just the beginning of an obligation that we have more financial, but also to assure a quality service in the handling of the waste as we go forward.

Mr. Haste: I made myself a note and Commissioner Petrucci touched on it, I think we shouldn't lose sight of the fact that part of this complex once it is completed will involve recycling. As we move forward, I think a lot of the discussions with municipalities recycling was a key issue and with placing the recycling center close to this facility only strengthens our ability to improve our recycling program in Dauphin County. Actually, within the last three to four years our recycling program has improved tremendously. The other thing that I would like to say, is I would really like to tip my hat to the City administration, City Council, Dan Lispi, Andrew Giorgione, and our staff, Kelly Wolf for putting this plan together and getting it to the point of where it is. All entities both County government, City government and the City administration, I think did a very good job in due diligence in this project. As it was mentioned any time you deal with waste, it's not a hot issue, it's not a sexy issue, it's not a popular issue, but it is one we have to deal with. I think with the scrutiny that this project has had both from an environmental standpoint, a functional standpoint and financial standpoint, this is probably one of the most scrutinized projects that I have seen come before us in central Pennsylvania in a long time. Because of all of that, I feel fairly confident that this program will succeed and will go forward because every nay sayer that could be out there has looked at this and has poked a shot at it. Even though it still may not be ideal in some folks minds, I think it is a very good project that we are moving forward. Not just for the City but for the entire County. The working cooperation that we have had with the City I hope continues to move forward as we tackle bigger issues in our region. My hat is off to all you folks for putting this forward.

We have a motion and a second. I'll call the question. All those in favor say, aye.

All: Aye.

Mr. Haste: Motion carries.

- B. Sharon Ludwig, Manager of Benefits and Compensation and
Garry Esworthy, Risk Manager, Chairman of the Benefits Committee
 - 1. Update from the Benefits Committee adding a Self Directed
Brokerage Account to the existing Principal Group Program.

Mr. Esworthy: I'm here along with Sharon to report to you the workings of the Benefits Committee that was formed by the Commissioners. My first thing to you is that the members would like to thank you for forming this committee. It has allowed them to have a voice finally in selecting their voluntary benefits, that are not paid by the County. They feel much empowered now. I think this committee will bring a lot of good ideas to that. As a result of that committee being formed, on October 24th we actually had our first vote. By a vote of 6-2, the committee has elected to add a Self Directed Brokerage Account to our existing Principal Group Program. Sharon is here to explain more in detail exactly what that Self Directed Brokerage Account is.

Ms. Ludwig: The Self Directed Brokerage Account is just an enhancement to our current Deferred Comp Program. It gives the employees the ability to invest into more options than what our standard plan has. It opens it up for those people who are the savvy investors and want to do more than what our deferred comp offers. We thought this would be a great enhancement. I know when we first started with this deferred comp program with Principal a lot of the complaints that came through were that there was not enough investment options. Well, this is our answer to not being enough investment options. This opens the door to allow employees to invest in much more than what they could just under the traditional deferred comp program. There are fees associated with it. There is an annual sponsor fee and once the employee rolls into the plan there is a fee and each time they make a trade there is a fee. We don't feel that every single person in the deferred comp program will take part in this but we feel that it gives everybody the opportunity to if they want to. Part of implementing this plan, is the plan to have meetings prior to the implementation because we want employees to be well educated and know what they are getting themselves into. We don't want somebody to get into this that doesn't really know what they are doing. We have education programs that we are going to begin with. We are also going to have employees on a monthly basis to learn about this through Steven Hetrick and his service here with the County. The other idea that we throw out was developing an investment group that anybody in the deferred comp program or who is also participating in the Self Directed Brokerage Account can get together on a monthly basis in a nice casual group and talk about their deferred comp. Almost like a stock club but it's more than that because even somebody who's in just the regular deferred comp can participate in it. We feel the success in the deferred comp and the Self Directed Brokerage Account comes with education. I'm really dedicated to make sure that education is there so the employees truly understand what they get themselves into.

Mr. Haste: Excellent. The fees that you are referring to are employee paid. This is all employee dollars. This is a decision that they make, right?

Ms. Ludwig: There is one employer paid fee. It is an annual fee of \$750.00 that the employer has to pay. Beyond that all the other fees are associated with the employee. There is a \$75.00 fee to just become and get into the Self Directed Brokerage Account.

Then it is like \$25-\$35 every time you make a trade depending on what you are trading. That part of it is paid by the employee.

Mr. Haste: Are there any questions? Do we need to take action?

Ms. Ludwig: Not today, it can wait until later.

ITEMS FOR DISCUSSION

Mr. Haste: We have Items A thru D. Is there anything that needs discussion at this time?

- A. Recommendations of reappointments & appointments to the Workforce Investment Board: (terms expire 9/30/06)
 - 1. Linda Thompson
 - 2. Gary Hoover
 - 3. Nate Douty
 - 4. Joe Delellis
 - 5. John Michael Fitzpatrick

- B. Health Care Renewal with Highmark Blue Shield PPO Plan for 2004 and the United Concordia Dental renewal plan for 2004.

- C. Adoption of a Resolution authorizing a banking relationship with Community Banks.

- D. Change Order No. 10 with Alexander Constructor, Inc., construction manager, in the amt. of \$25,106.00 for the Spring Creek (Dauphin Manager) Project. (Cost Events #180, 182, 183, 184, & 185) This cost will be added to the GMP and paid by the owner.

Mr. Henry: Item C, do we need to do that now or is that something that can wait?

Mr. Burns: I believe that relates to Mike Yohe's email of yesterday and I believe it can wait until next Thursday. Is that correct, Mike?

Mr. Yohe: Yes.

SOLICITOR'S REPORT

Mr. Tully: I submitted a final report and for clarification purposes, I will draw your attention to Items 9 & 10. It looks like it might be a typo as far as repeated items but essentially, it shows the number of contracts we have with the provider, like Keystone Services System. It is the same amendment but it is into four separate service

contracts that are provided. I wanted to clarify that. It is that time of year again when we are renewing our service providers for the various agencies. I would be happy to answer any questions the Board might have.

COMMISSIONERS' COMMENTS

Mr. Haste: Is there anything the Board would like to bring up at this time?
(There was none.)

PUBLIC PARTICIPATION

Mr. Haste: We are again at the point in time of the Meeting for the public to come forward and address the Board of Commissioners. (There was none.)

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn?

Mr. Henry: So moved.

Mr. Petrucci: Second.

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

All: Aye.

Mr. Haste: Meeting is adjourned.

Transcribed: Thursday, November 6, 2003

Respectfully submitted,

Robert Burns, Chief Clerk/Chief of Staff
printed 11/20/03