



**DAUPHIN COUNTY BOARD OF COMMISSIONERS**

**COMMISSIONERS' WORKSHOP MEETING**

**WEDNESDAY, DECEMBER 8, 2004**

**10:00 A.M.**

**MEMBERS PRESENT**

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

**STAFF PRESENT**

Chad Saylor, Chief Clerk/Chief of Staff; Chip Vance, Esq., Assistant Solicitor; Robert Dick, Treasurer; Thomas Guenther, Director of Information Technology; Mike Yohe, Budget Director; Randy Baratucci, Purchasing Director; Bruce Foreman, Esq., Assistant Solicitor; President Judge Joseph Kleinfelter; Steve Howe, Tax Assessment Director; George Connor, Economic Development; Diane McNaughton, Press Secretary; Richie Martz, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Lena Martinez, Commissioners' Office; Garry Esworthy, Risk Manager; Kay Sinner, Personnel; Dan Robinson, Economic Development Director; Carolyn Thompson, Esq., Court Administrator; Bill Tully, Esq., County Solicitor; Melanie McCaffrey, Solicitor's Office; and Julia E. Nace, Assistant Chief Clerk

**GUESTS PRESENT**

Jack Sherzer, Patriot News; Tom Smida, Esq.; Chuck Zwally, Esq.; Bill Hawk, Executive Director of Dauphin County General Authority; Terri Martini, City of Harrisburg; Bryan Davis; Mark Stewart

**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 will have the November 24, 2004 Workshop Meeting Minutes for approval next week.

## **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 of the Meeting for public participation. Is there anyone in the audience that would like to address the Board? (There was none)

## **PERSONNEL**

Ms. Sinner: In the personnel packet, I have Salary Board requests. I am requesting permission to create a position at Spring Creek. The rest of the Salary Board requests are eliminations of positions in various departments throughout the County.

I have a Vacancies Listing; New Hires Listing; some of those positions are Spring Creek positions; and the others are part-time.

Mr. Haste: I see we are creating the one at Spring Creek and it says that we are eliminating one.

Ms. Sinner: I should elaborate on that. The other payroll clerk is on extended worker's compensation. It is doubtful that she will return but at this point, we cannot abolish her position. She remains an employee of the County but not in an active status.

Mr. Haste: How do we make sure that position is eliminated at the appropriate time? As you will recall, when we went through this, there were a lot of positions that haven't been filled, went around for a while and we have a lot of cleaning up to do to figure out how many positions we really have. How do we put a flag on this to make sure that position is eliminated? Can we put a date on it now?

Ms. Sinner: I guess that is something that you would have to check with Garry. I could also note something on the payroll system under her position number.

Mr. Haste: I just don't want to fall in the past practices of previous Boards where supposedly they eliminated positions when in fact they're still here.

Mr. Esworthy: Commissioners, what I will do at the appropriate time that she either returns or I have an affirmative answer that she is not returning, I'll alert Personnel to eliminate that position.

Mr. Haste: What do we do if in fact she returns? We now have two people in one position.

Mr. Esworthy: It is very highly doubtful that this individual will return to employment. The type of injury that she has shows a very serious injury. She won't return. We're going through the process right now of litigation. Once we get the final answer from the Worker's Compensation referee then that position will be eliminated. We just don't want to eliminate it while we are in litigation right now.

Mr. Haste: Would we not be better off then by creating a temporary position?

Mr. Esworthy: Yes, we would.

Mr. Haste: I would like to put a timeframe on one or the other.

Mr. Esworthy: We could do that. We could put a temporary position in there and just leave it there. We did discuss putting a temporary position in there. That would work just as well.

Ms. Sinner: I have seen where a position is created, is temporary and the person on worker's comp hasn't come back. That position stays out there as temporary.

Mr. Hartwick: That is what we are trying to avoid having a temporary position and at the appropriate time once the worker's compensation issue is resolved then we can take Salary Board action to eliminate the temporary position. So we have a clean understanding of what is a vacancy and what is an actual created position and what is off the books.

Ms. Sinner: Or perhaps in this case, putting this worker's comp employee in the temporary position.

Mr. Haste: Some how we need to have a way in which we track positions because it is clear that we have not done that. We have these positions that according to Salary Board exist when in fact they don't. We sit here as a Board and a department may get a printout and think that they have a position that we haven't funded and we are not aware of. We need to stop that. So there needs to be a system in place. I don't care how you do it in your office or flag it but there needs to be a way. The last thing I want

is for that person to come back and then we have two people in a position when that was clearly not our intent.

Mr. DiFrancesco: Either a position has to be eliminated or a layoff will have to occur if the person would come back. Some how it is going to have to be flagged so that action takes place and doesn't get lost.

Ms. Sinner: This person had already come back and that is how we know her condition is deteriorating to the point that she won't be back.

Mr. Haste: I understand and if that does happen, I want to make sure that there is something that eliminates that position then. So again that it is not sitting there and some director gets it and thinks he has a position to fill. I don't want to see two years from now it is listed as a vacancy when in fact it really isn't and shouldn't be.

Ms. Sinner: I think we could come up with a way to flag that position and also with Garry notifying Personnel.

Mr. Haste: Since this is Workshop and before we take action next week, can you let me know how we're going to be doing that?

Ms. Sinner: Okay.

Mr. Hartwick: It is our intent and goal that by the January meeting that we would have that list completely accurate. All positions that will be eliminated are vacancies that the Board wishes to eliminate so that we know the real picture.

Ms. Sinner: I think right now it is very accurate because of these several positions that are being abolished. I just put an updated list out yesterday.

Mr. Hartwick: Let's talk before next week's meeting so we get a system in place.

Ms. Sinner: Okay.

Mr. DiFrancesco: Can you give us an update on the D. J. Lindsey position that is in this packet? There was a question yesterday as to what exactly that position was.

Ms. Sinner: There was a legal clerk I that was promoted to a legal clerk II. She actually filled someone's vacancy. I know a lot of times when an employee is promoted in one of the D. J.'s offices they abolish their existing position and create a new position.

Mr. DiFrancesco: So that is what this is?

Ms. Sinner: Her position really should have been abolished when she was promoted to legal clerk II.

Mr. Haste: She was a legal clerk I and got promoted to a legal clerk II? The legal clerk I position was never eliminated?

Ms. Sinner: Yes.

Mr. Haste: That is what we have to stop.

Ms. Sinner: Usually they do that. I looked over the past two years.

Mr. Haste: I don't mean that we have to stop promoting people but we have to stop carrying that second position.

Ms. Sinner: They usually do abolish it but that one slipped past. I've reviewed Salary Board requests from the past couple of years....

Mr. DiFrancesco: I'm trying to remember, when he came in and made his presentation, what was he asking for?

Mr. Haste: D. J. Lindsey didn't come in. It was Bill Wenner.

Mr. DiFrancesco: I thought it was Lindsey.

Mr. Haste: Bill Wenner came in and asked for a new position.

Mr. DiFrancesco: That is what is throwing me, okay. Then we are good to go.

Mr. Haste: Then the rest of these are clean up?

Ms. Sinner: Yes, they are.

Mr. Haste: Then as George said for our Salary Board Meeting in January, I want to make sure that we finish all the clean up and have something in place to keep track of them.

Ms. Sinner: Okay.

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

Ms. Sinner: On the Changes Listing, I request a vote for Item 1 because the effective date was this past Monday, December 6<sup>th</sup>. It is a transfer of a CNA from full-time to per diem.

Mr. Hartwick: Are you okay with that, Nick?

Mr. DiFrancesco: Yes, that is fine.

**Mr. Hartwick: I'll make that motion.**

**Mr. DiFrancesco: I'll second the motion.**

**Mr. Haste: All those in favor say, aye; motion carries.**

Mr. Hartwick: We just had a retirement party for Mr. Johnson, and he's back?

Ms. Sinner: Yes, he is coming back. I also have overtime reports.

Mr. Haste: You gave us a sheet that you want us to add to the packet?

Ms. Sinner: Yes.

Mr. Haste: This is from Mr. Esworthy?

Ms. Sinner: Yes.

Mr. Haste: That will be added to next week's packet.

Ms. Sinner: It doesn't need a cover sheet because it is an elimination of a position. We can take action next week.

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

Mr. Hartwick: I would like to report that overtime is continuing to decrease. I know I beat you up about Spring Creek every week and there is significant improvement in the past two weeks. I believe you get a positive comment this week.

Mr. DiFrancesco: I kept watching the percentage of year left and the percentage of overtime left. We're getting down to a couple of months so gaps have been closing.

Mr. Hartwick: Let's keep that trend.

## **PURCHASE ORDERS**

Mr. Baratucci: I'll take the purchase orders first. You should have all received your packet yesterday. I recommended that this would be the last set of purchases orders to

approve. You will approve them next week. That would give everyone as we have traditionally done a couple weeks at the end of the year to get all the reports and financial items in order. I think we have the majority of them on this report. It is possible some last minute ones may crop up between now and next Wednesday. If they do, I'll add them and highlight. There are a couple of budget items as usual. I have contacted all those people and they all should be in touch with Mike prior to next week and get those fixed. If you have any questions on any of the items, I'll do my best to answer them. Otherwise, I'll transfer them over to next week.

In addition to that, I have some results from a bid opening to pass out. We held a bid opening on November 19<sup>th</sup> for Spring Creek for two new washer extractors for the laundry. We received four bids as noted. The one on the second page, Laundry Tek Services out of Douglasville, Pennsylvania was the low bidder. We checked the item they bid and were equal and checked out to be fine. So the recommendation is that we award the bid for the two units to Laundry Tek at a total price of \$36,792. This will probably be a requisition that we'll add next week. I need to check the anticipated delivery time because it may be in 2005. So it may be more appropriate to do a 2005 purchase order. I will either add it next week or hold off until January. If there are no questions, that would be my recommendation to take action to award the bid to Laundry Tek.

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to award the bid to Laundry Tek of Douglasville, Pennsylvania in the amount of \$36,792 as a total cost for the two washer extractors; motion carried.**

Mr. Haste: That's two machines plus installation, right?

Mr. Baratucci: They were told to include installation in their prices and all except the first company did. They had a separate price for installation. The other three included it in the price of the unit.

## **TRAINING PACKET**

Mr. Haste: Chad is there something that we need to address this week?

Mr. Saylor: No.

## **TERRI MARTINI, CITY OF HARRISBURG**

1. Request for the City of Harrisburg to piggy back with Harristown Development Corporation on the Brownfield for Housing Grant. (Zommit Cleaners Project)

Ms. Martini: The City of Harrisburg respectfully requests your approval to submit an application to the state for Brownfield's for Housing Funds. This project was previously approved by the County and had County and State funding. However, the State's reservation for Community Opportunities Funds is no longer available. They have

advised us to join an application with Harristown Development Corporation for the International House. Both projects include housing for new residents in the City of Harrisburg. This particular project with the demolition and environmental clean up of Zommit Cleaners is on the edge of the Market Place Town Homes Project. The City has built thirty-seven homes that have been sold to new homeowners. Essay Homes is the City's contractor for building out this project. This will add additional town homes and add to the tax revenues for the County, City and the school district.

Mr. Jones: Commissioners, I just wanted to say that we wholly support the City's project. We would be happy to partner with them on this application. I just wanted to offer our support. We are working with our teams to prepare joint application if that is acceptable to you all.

Mr. Saylor: Brad, for the record could you identify yourself?

Mr. Jones: I'm Brad Jones from the Harristown Development Corporation.

Mr. Hartwick: In this Brownfield's application, the amount that you were requesting initially was about \$78,000?

Mr. Jones: The rules have changed for the application a little bit. It allows for the applications to be competitive across the state so we're under the state rules. We are allowed to apply for more funds than had previously been available. I believe the City will be applying for somewhere in the neighborhood of \$200,000+ and we'll be applying for about \$130,000.

Ms. Martini: The exact amount is \$226,297.

Mr. Hartwick: Plus your \$130,000?

Mr. Jones: Correct.

Mr. Hartwick: So this would allow us to be the pass through for additional resources. That is why I called the City to make sure we aren't being in competition once we approved the Harristown one. I would be happy to support bringing in additional resources and being a pass through.

Mr. Haste: Is there a motion to approve?

**It was moved to support the application by the City of Harrisburg by Mr. Hartwick and seconded by Mr. DiFrancesco; motion carried.**

Mr. Haste: Do you need a letter from us?

Ms. Martini: Yes.



Mr. Jones: We'll prepare that for the Chief of Staff.

**DAN ROBINSON, DIRECTOR, ECONOMIC DEVELOPMENT**

1. Adopt Resolution No. 39-2004 approving a Cooperation Agreement with Dauphin County Industrial Development Authority in connection with Redevelopment Capital Assistance Program Funds for Harrisburg Mall (BassPro) Project and WITF, Inc. (\*\*A VOTE IS REQUESTED 12/08/04)

Mr. Robinson: I'm pleased to present today, and allow for a vote as well, two exciting projects that I think you all are familiar with. The first is the Harrisburg Mall which is through the BassPro Project which recently opened, to receive \$5 million in funding through the State's Redevelopment Assistance Capital Program. The second is WITF which is set to receive \$8.5 million via the same State program. These monies will receive funding directly through the County's Industrial Development Authority. We must first receive your authorization through the two Resolutions which we have given to the Solicitor earlier this week.

Under the Cooperation Agreement the County and the IDA would both be the pass through. The State does require, which is somewhat a newer process, that a taxing body pass the resolution and also indemnify the project should there be any misappropriation of funds. In saying that, I did make a call to the Governor's Action Team and spoke to the director. Just to get a history of how these funds worked to make sure if there has ever been a problem and they said in the thousands of projects, there has never been a problem.

Mr. DiFrancesco: Just clarify one thing. What are we voting to approve? What does the agreement mean to Dauphin County?

Mr. Robinson: The Authority will enter into a Development Agreement with the developer. Under the program through the State which comes through the Capital Budget, we need a taxing authority, the County, to indemnify against any costs or expenses that would need to be repaid. That sounds almost problematic in the sense but for a \$5 million grant on a \$65 million project, it's basically a pass through.

Mr. DiFrancesco: The only reason I'm questioning this, grants don't get paid back. So what are the triggers that would require.....

Mr. Robinson: The only triggers would be if they misappropriated the funds.

Mr. DiFrancesco: And the State would hold us liable for state funds?

Mr. Robinson: That is correct.

Mr. Haste: Which we would go after.

Mr. DiFrancesco: It puts us in the firing line.

Mr. Robinson: We are probably fourth in the position of the firing line. It would go to the developer, there is a subset of developers, then the IDA and then the County. They just need a County commitment. Again, this is a very small piece of the whole project.

Mr. DiFrancesco: That's fine. Obviously the project is a very, very good project, one that we have supported all the way. I think it is interesting the way some of these state programs.....

Mr. Robinson: I agree and that was my very first question of the Governor's Action Team which was, why is it the County when the IDA is the recipient? They need a taxing body. Again to remind the Board, both projects, BassPro and WITF will create and retain over 500 jobs in the region and area. We're glad they chose our County.

Mr. Hartwick: This is certainly another example how we've partnered together in trying to see large scale impacts with County's investments. Has Mr. Carlucci prepared any documents that show potential liability of the County in case of a default?

Mr. Robinson: He has reviewed and we would be again, third or fourth in position for the full amount.

Mr. Hartwick: And you're not asking for a vote today?

Mr. Robinson: I am asking for a vote today if we could. I believe all of you have received calls from the East Mall about the potential of receiving these monies. I would just clarify, while the nature of our request to you sounds almost scary in nature, we are basically acting as the pass through for the project. Thousands of these have been issued. There has never been any kind of.....

Mr. Hartwick: In my conversations and I know Commissioner DiFrancesco's conversation, there was some talk, Mr. Carlucci needs to answer some legal questions before we are able to move forward with this. I'm not seeing any kind of summary or any kind of outlay with the exception of this conversation you're having with us now.

Mr. Robinson: I do have if it is appropriate one copy in my possession. It was given to Mr. Saylor that should address your concerns. If you want to take time to review that, we can do it.

Mr. Hartwick: Again, I'm in full support of the project. I just don't want to make any mistakes and not consider what position we are in as to what potential liability we will have. I've not seen any legal document that outlines it to this point. If I could just have an opportunity to review it before we ask for a vote?

Mr. DiFrancesco: Another comment, I know that through this project it's been related to me that getting the money has not been the easiest process in the world. I think a lot of

the problem had to do with the relationship with the State or wherever. I want to know for the record. I want to make certain that it is never us that's holding up these processes.

Mr. Robinson: In general, it is never us. In this particular instance and I know you and I spoke about it, it was relayed that we may have been holding up the process. I think part of Commissioner Hartwick's concern is, we were reviewing and re-reviewing to make sure that there was no liability on the IDA or the County. Because, basically from an IDA side, they put us out of business if there is a problem. The scope of this project is so large. Basically I think this \$5 million is going towards the parking repaving. So there are no issues with this appropriation at this point.

Mr. Hartwick: For future consideration and for due diligence of the Board, I prefer to see a schedule of exactly what expenditures are going to be covered by the State resources so that we'll feel comfortable in knowing that these are not allowed to go towards any professional services. It needs to go towards hard costs like land acquisition and building costs. If we could see specifically what those monies and dollars are going to be used for so we have a comfort level that they are going to be using them for the appropriate purposes. That would be helpful in trying to make a decision on such a large amount of money that we're in essence guaranteeing in case of any wrong doing. A lot of folks in professional services that once they see big dollars like to get their hands on them. I would like to know exactly what those costs and those expenditures are going towards before we cast a vote. I don't want to hold this project up any further but I prefer to see more information. In the future, when we talk about these pass throughs, I want to just make sure that we are protected.

Mr. Robinson: Okay.

Mr. DiFrancesco: There are some issues in this that we have to be responsible for misappropriation, in using it for ineligible costs. How do we know where it is going and what it is being used for? That's important and we need to know.

Mr. Vance: Commissioners, you could approve that pending review by our office if you would like us to do so. We have not seen the sheet that you are holding in your hand.

Mr. DiFrancesco: That's an issue.

Mr. Hartwick: And you get a call from the general manager saying we need money, we've got people out there, contractors hammering us. Are we sure that they are aware of the legal requirements, what they can pay for and what they can't. I don't want them to use these funds as a supplement to other contractors that are hammering. I want it to be going towards specifically what they told us the money is going to be expended for. Seeing a plan there versus a letter from the attorney would give me a much greater comfort level and something that would hold them to that exact expenditure versus word of mouth.

Mr. DiFrancesco: These are big numbers. I realize these programs and projects are done every day without a second thought. But the bottom line is if we ever get caught up in one, it would be significant. It would give us another legal headache that we really don't want to have.

Mr. Robinson: I do apologize for Mr. Carlucci. He had planned on being here. I know he met with Chad. Do you have anything out of that conversation that would be helpful?

Mr. Saylor: No, he just handed me the paperwork and said he reviewed it. I thought I sent a copy to the Solicitor's Office but apparently I have not.

Mr. Hartwick: I know we have been extremely cooperative with the BassPro Project from tax increment financing, to liquid fuels funds, to Paxton Street two ways. I don't want to hold that project up but I think we should be provided with sufficient enough information for us to feel comfortable being a pass through for these types of grant funds. In the future, that is the request.

Mr. Robinson: So noted.

Mr. Haste: Is there a motion to adopt Resolution 39-2004?

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to adopt Resolution No. 39-2004 approving a Cooperation Agreement with Dauphin County Industrial Development Authority in connection with Redevelopment Capital Assistance Program Funds for Harrisburg Mall (BassPro) Project and WITF, Inc.; motion carries. (Resolution No. 39-2004 is on file in the Commissioners' Office)**

### **DAUPHIN COUNTY GENERAL AUTHORITY – BILL HAWK, EXECUTIVE DIRECTOR**

Mr. Smida: I'm Tom Smida from Mette, Evans and Woodside. Bill Hawk from the Dauphin County General Authority is with me.

Prior to the Meeting, I distributed to each one of you a copy of a proposed ordinance in a form of a guarantee that we are asking for your consideration this morning in connection with the refinancing of the project at the Dauphin Highlands Golf Course. I previously advertised the consideration of this as required by the Local Government Unit Debt Act. Copies have been forwarded to the Solicitor's Office and to Mr. Saylor's Office for review.

The pricing of the bonds was conducted yesterday. The results of that pricing was very favorable to the Authority. At one time, we thought we would have to issue as much as \$12,500,000 worth of debt. They were able to bring it under roughly \$11 million with rounding. The market was very favorable to us. I would be happy to walk you through the Ordinance. Certainly there is a summary of it in the very beginning. You don't have to read it. In essence what it provides is for the County to incur debt as defined in the

Local Government Unit Debt Act as a guarantee of this obligation. It authorizes the execution and delivery of the guarantee to the Trustee. Henceforth, the County agrees in compliance with the Securities Exchange Act of 1934 that there will be continuing disclosure compliance. It sets forth the faith in taxing credit obligation of the County. We pay the debt service to the extent that it is not paid by the Authority in connection with these bonds. As I mentioned there is the substantial form of the guarantee. The numbers for each of the two series of bonds that will be issued in the average principal amount of \$11 million are also attached to both the guarantee and the ordinance. We plan on having the debt qualify to self-liquidating debt. We have retained a certified public accountant to prepare that report and will be filing this with the Department of Community and Economic Development as soon as we do the second advertisement.

Mr. Haste: I will assume, but for the record, the payment schedule that is in here reflects the \$11 million not the original \$12,500,000?

Mr. Smida: Yes, it does. I put it together personally yesterday afternoon at 4:00.

Mr. Haste: This is basically the plan that we discussed a few weeks ago. Actually, it is better because you were able to get a more favorable return in the market.

Mr. Smida: Yes, we were. I shall also explain what we are issuing....there will be two series of bonds. We're refunding the 1993 Capital Appreciation Bonds and the remaining balance of the issue that we brought to the market in 2003. Because the 2003 was an advanced refunding of the 1998 debt, we have to do it on a taxable basis. So, there will be a series of bonds. The Series B Bonds will be on a taxable basis and they'll be in the principal amount of \$2,435,000. There will be a tax exempt portion in the Series A Bonds which will be in the principal amount of \$8,565,000.

Mr. Haste: And that is no different than what we had discussed a couple of weeks ago?

Mr. Smida: No, it was always contemplated because the tax rules prevent a second advanced refunding.

Mr. Hartwick: Just for the record, this does not include a \$1.9 million repayment to the General Authority?

Mr. Smida: I can assure you that it does not.

Mr. Haste: I would like to commend the three of you for putting this together, negotiating between the two entities and moving forward as quickly as possible. There were those who wanted either side to poke at either one of us, and again I think this shows that everyone is trying to do their best for the County. Everyone can have a difference of opinion as to how we get there but when it is all said and done, the cooperation was enjoyable. Thank the Board for hearing our concerns.

Mr. Zwally: We have a meeting next Wednesday.

Mr. Hartwick: Do we need to take any formal action?

Mr. Smida: Yes, we would ask that you have a formal vote.

Mr. Haste: Is there a motion to adopt Ordinance No. 8-2004?

**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to adopt Ordinance No. 8-2004 – Dauphin Highlands Refunding Project by the Dauphin County General Authority not to exceed \$12,500,000; motion carries. (A copy of the entire Ordinance is on file in the Commissioners' Office)**

### **MARK STEWART – DAUPHIN COUNTY HOSPITAL AUTHORITY**

Mr. Saylor: I had a conversation with Mark Stewart with regard to the Hospital Authority. He had something this morning and wasn't certain whether he could make it this morning. But I note that he is in the audience and I think it would be appropriate at this time if you are so inclined to hear an issue he needs to bring before you regarding the Hospital Authority.

Mr. Stewart: Thank you very much for hearing from me. As you know I'm the Solicitor for the Dauphin County Hospital Authority. We just got notified very recently and in fact just got some draft documents yesterday in regard to a refinancing project that the Jewish Home of Greater Harrisburg is interested in running through the Authority. Essentially in 2000 & 2001, the Home financed through the Authority and Fulton Bank a project to expand their facilities on Linglestown Road. I believe there were three series of notes for about \$16.9 million. They would like to refinance \$13 million of those notes. There is no guarantee or liability on part of the County. There is no liability on part of the Authority. Essentially it is the exact same TEFRA type situation that Mr. Walter went over with you this morning. In fact, we have those hearings scheduled for next week which you would ratify and essentially find that this project is in the health and welfare interest of the citizens of the County. I would need you to sign a Certificate of Approval just as in that other transaction.

There are two tricks to this. One is that in order to be bank qualified as they desire their notes to be, you can only do \$10 million a year. This is a \$13 million project. They would like to do \$5 million by year end which would require some action from the Board by year end. Then they will do the \$8 million in January of 2005. That's the first issue.

The second and this is something that I believe can be addressed in January deals with the life of the Authority. Essentially there are seventeen years left. Authorities are authorized for fifty years as you know. The Hospital Authority was incorporated in 1971. There are seventeen years roughly left on its life. The term of the January notes will be twenty years. So in order for the Hospital Authority to be a conduit financing for this transaction, we would have to have our life extended which isn't complicated. It is a very simple process but it would require Commissioner approval at some point.

If you have any questions, I would be happy to answer them. Otherwise, as quickly as possible I will work with the note counsel for the Jewish Home and Fulton Bank to try to make sure we have appropriate documents to you as soon as possible.

Mr. Haste: Do you have an Authority meeting scheduled?

Mr. Stewart: We will be scheduling one. We have to have these TEFRA Hearings first and then immediately thereafter we will schedule an Authority meeting.

Mr. Haste: I suggested that next year we have new membership on that Authority. I remember one time that was quite an active Authority. I talked to folks in the hospital industry on how or why they use the Authority. One of the drawbacks is the \$10 million cap. But they said it has been very helpful in the past for small projects. \$10 million sounds like a lot of money to me but in the hospital world today that's a small issue. It does give them another option to go to. I pitched to them using the Dauphin County Industrial Development Authority when they do larger issues. I think the last one was actually done through the Millersburg Authority as well. I do know when Graham Hetrick was Chairman of that Authority it was very active. He was out and had a lot of conversations with the medical and hospitals and they used it quite a bit.

Mr. Stewart: It could be that nursing homes in the County would be able to use it as well for smaller projects.

Mr. Haste: We spoke about whether we need it and should abolish it or move on because of the other Authorities that are out there. When I spoke with the hospital representatives they liked the fact that it is another option for them.

Mr. Stewart: We would obviously be appreciative of being extended and the folks of the Jewish Home would appreciate it so that they can go forward with this refinancing.

One other note, we do have a vacancy on the Board.

Mr. Hartwick: How refreshing to hear something that is going to happen before their having a TEFRA Hearing so that it will allow us to do due diligence in asking the right questions. We appreciate you taking some time to give us a heads up.

Number two, can the Hospital Authority be able to finance and fund projects in part saying that they certainly fit into what is allowable under the law for hospital authorities to finance that you may need additional resources and partnering with the IDA to finish out the remainder of the financing? Is that something that you guys can go out and actually seek some medical facilities that may be in need of expansion and work along with the IDA to pick up the rest of the pieces?

Mr. Stewart: I don't know of any reason that we couldn't.

Mr. Hartwick: And getting somebody active in the Hospital Authority to seek out these projects might be a good thing for the IDA and the Hospital Authority.

Mr. Haste: As in the past, Graham Hetrick was very active. You don't need anything from us other than just a general okay to move forward?

Mr. Stewart: We will need something probably next week. There is a draft resolution that the note counsel provided. I will give it to the Solicitor's Office and Chad as soon as possible and a generic Certificate of Approval.

Mr. Hartwick: And extending the life of the Board.

Mr. Stewart: Yes, that is something that we have a little more time on. As long as you are not opposed to it, we can go forward in January.

(There was a consensus to move forward)

### **ITEMS FOR DISCUSSION**

Mr. Haste: We have the following items for discussion. We have Items A thru E. I see Item A & B, there is a request to vote. Item A, is an appointment for Dennis Stover to Area Agency on Aging Advisory Board. And Item B is approval of the Highmark Blue Shield proposed rates.

Mr. Hartwick: Item A, Mr. Stover, I met with him as a result of Commissioner DiFrancesco's request. He is a school board member in Middletown. We are all familiar with him. I think his expertise in the human service area and his interest in aging and his own personal experience and energy would add a great deal to the Area Agency on Aging Board. I fully support his appointment and ask for the Board's approval as well.

The Highmark contract I think is just a formality. It is something that we already agreed upon and we need to move forward and act upon today. I don't think there is any additional information.

Mr. Haste: Is there a motion to approve Item A?

**It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve the appointment of Dennis Stover to the Area Agency on Aging Advisory Board; motion carries.**

- A. Appoint Dennis Stover to the Area Agency on Aging Advisory Board.  
(Term will expire December 8, 2007)  
**(\*\*\*A VOTE IS REQUESTED 12/08/04)**

Mr. Haste: Is there a motion to approve Item B?



**It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve the Highmark Agreement; motion carries.**

- B. Approve a Highmark Blue Shield Agreement for the proposed rates and guarantees for County employees for three years – 2005 thru 2007.
- C. Request from the Swatara Township Board of Commissioners to consider \$150,000 of Liquid Fuels for the conversion of Paxton Street to two-way traffic.
- D. Adopt a Resolution authorizing the initiation of eminent domain proceedings to acquire the property at 1300 Rolleston Street, City of Harrisburg, for the public purposes of constructing and operating a District Justice Office.
- E. Approval of a request from Middletown Emergency Management to place measuring numbers on the County Bridge “The Aqueduct” located on South Union St., Middletown.

### **SOLICITOR’S REPORT**

Mr. Vance: I have nothing other than what you already have. If you have specific questions, I would be happy to address them.

Mr. DiFrancesco: Please update me on the details for Item C. Is that a matter that the project was more expensive than originally thought?

Mr. Haste: Correct. This is to make the section from Harrisburg Mall to Eisenhower Boulevard two-way. That is to help address the congestion of traffic that goes into the mall as well the properties along Paxton Street extended. It is to make it more attractable for properties to go in there. Probably a year and half ago, they made a request for \$150,000 of assistance from the County’s Liquid Fuels Funds to help fund this project. Swatara Township did that. We can’t give it to the developers. We gave it to the local municipality. It is my understanding when they went through it with the changes that were required by both the state and the new owner of the Mall, the price was higher than they anticipated. So Swatara Township has again asked that we give another \$150,000 from the Liquid Fuels Funds. I think it is a good investment. That is \$300,000 that the County would have made out of the Liquid Fuels Funds. Those properties that will come in along Paxton Street extended in the long run tax wise will easily offset by this. Now we won’t see any increase out of the Mall for ten years because of the agreement we had on the tax for ten years. We will see this revenue increase by the properties that are coming on Paxton Street extended.

Mr. DiFrancesco: Possibly more importantly, we will not see any further decline in the assessed values. That truly is a gain for the County and for the local municipalities.

Mr. Haste: And the school board.

Mr. Hartwick: I want to make sure that the Liquid Fuels dollars are going towards highway improvements. This is not going toward acquisition of properties?

Mr. Haste: Correct.

Mr. Hartwick: I've heard some concerns about two individuals on that property that are holding out for additional resources that they would like to move off of that property. I don't want to use Liquid Fuels Funds to do property acquisition.

Mr. Haste: They can't be.

Mr. DiFrancesco: It may be right-of-ways in the course of the project.

Mr. Hartwick: I just want to make sure for the record that we are not using this for property acquisition.

Mr. Haste: It may be right-of-way acquisition.

Mr. DiFrancesco: I know there were two properties that sort of infringed on the road area.

Mr. Hartwick: And they are holding out for top dollar.

Mr. DiFrancesco: They needed to be moved back.

Mr. Haste: It could be used for right-of-way acquisition, I don't know. Either way you go that's what you have to do to make that property two-way.

Mr. Hartwick: Right-a-way acquisition is different than buying these folks out.

Mr. Haste: Correct.

Mr. DiFrancesco: I would agree with you that it shouldn't be used to buy.....legally you can't.

Mr. Haste: Not to say they won't shift some other dollars to do that. That's up to them but these dollars cannot be used for that. The township would be the one on the hook with PennDOT to use these funds. PennDOT will go in and do an audit. If in fact, it is found that they misused the funds they have to pay it out of their general fund.

Mr. Robinson: I believe the people negotiating with the business are the TechPort Partners which would not impact the road money that we're expending. I'm am aware that TechPort has several agreements under contract contingent on the road being two-way. So this again will be appreciated.

Mr. Hartwick: I only have one point of clarification otherwise, I'm in support of it. I just want to make sure these resources aren't going to buy out properties. Does that need to be approved today or next week?

Mr. Haste: Next week.

Mr. DiFrancesco: The only other question I have is on Item D of the Solicitor's Office. Have the questions been answered regarding land use, zoning issues that were in question?

Mr. Vance: As far as I know, Mr. Foreman is looking into that. I don't know what the results of his research on that have been but we should have that shortly.

Mr. Saylor: I can say our Solicitors have been on top of this. I believe that they have been addressed to his satisfaction. We do have correspondence from the City with regard to the zoning. I think it is because of that, that he gave the okay. Bruce gave the okay for this to move forward.

Mr. Haste: I saw an email to that effort and I didn't read it in detail yet because I knew we didn't have to vote on it. I saw something from Bruce on that.

Mr. Hartwick: I've contacted the City and they feel confident that it will fit within their zoning.

Mr. DiFrancesco: I think the City was actually promoting this particular parcel. I don't want to be in that quandary on down the road.

### **CHIEF CLERK'S REPORT – CHAD SAYLOR**

Mr. Saylor: Commissioners, I have one item that I want to bring to your attention of some importance and direct bearing on our budget issues that we face and we will be voting on next week.

I expect Mr. Yohe to correct me if I state something incorrectly.

On December 6<sup>th</sup>, Standards and Poors came out with an initial rating for the County. They have found our AA rating and as you can see, please direct you attention to the second page of what I handed you, which is from their website. They lay out some positive reasons why they maintain the AA rating but they also spell out some offsetting records. If you go further down, the critical issue is the outlook that Standard & Poors gives us. They give us a negative outlook for the future. I know that Mr. Yohe has spent some time on the phone with them trying to address some of their concerns but at the end of the day, for the record there are a couple of things that I want to read into the record from this website.

One of which is, “the fiscal 2005 is not yet adopted but management anticipates increasing property taxes by another 19% while expenditure growth is expected to remain modest. Even with the increase the millage will only be at 6.8 mills well below the 25 mill limit. Also as part of the budget, management anticipates cutting about 35-40 full-time positions which will fully help maintain modest expenditure growth.

On the final page under the outlook, the negative outlook reflects the recent reduction in reserves, large fluctuations from budget to actual results for fiscal 2003 and ongoing general fund subsidies to the County owned nursing home.”

It goes into a lot of detail with regard to our debt. It mentions a percent of market value our debt burden is what they call “high” at 6.6%. Overall, I think it kind of reaffirms what they told us early on, they are looking for a positive fund balance in our general fund. I thought it was very timely. I wanted to bring it to your attention.

Mike, are there any important issues that I missed?

Mr. Yohe: No.

Mr. Saylor: That was the only issue that I have.

Mr. Haste: Are there any questions of Chad or Mike? (There were none) Mr. Yohe, do you have anything to add?

Mr. Yohe: No.

### **COMMISSIONERS' COMMENTS**

Mr. Haste: Does anyone have any comments?

Mr. Hartwick: I don't have any.

Mr. DiFrancesco: The Schaffner Advisory Board will be forwarding as other Boards do recommendations to fill some vacancies that will be coming up on the Board. Actually, I was responsible for holding them up because there was one name that I had to reach out to and just didn't have an opportunity. That has been done. They weren't able to get it in for today but it may come next week or the week after. We're not pressed at this point. It just has to be done either before the end of the year or going into next year.

### **PUBLIC PARTICIPATION**

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

## **ADJOURNMENT**

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

Transcribed by: Julia E. Nace, Asst. Chief Clerk  
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