



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

NOVEMBER 26, 2014

10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Mike Pries, Vice Chairman
George P. Hartwick, III, Secretary

STAFF PRESENT

Chad Saylor, Chief Clerk; Janis Creason, Treasurer; Joseph A. Curcillo, III, Esq., Solicitor; Mike Yohe, Director of Budget & Finance; Jerry Feaser, Director of Registration & Elections; J. Scott Burford, Deputy Chief Clerk; Kay Lengle, Human Resources; Randy Baratucci, Director of Purchasing; Ed Marsico, District Attorney; August Memmi, Director of Community & Economic Development; Catharine Kilgore, District Attorney's Office; Fred Lighty, Esq., Solicitor's Office; Amy Harinath, Press Secretary; Jennifer Simpson, Court Administration; Dave Schreiber, Human Resources; James Titus, Sheriff's Office; Julie Mackey, Commissioners' Office and Melody Osborn, Commissioners' Office

GUESTS PRESENT

Rebecca Solomon, Rob Gill, Tim Horstmann, Donna Kreiser, Lou Verdelli, Jay Wenger, Jim Roxbury, Jack Sherzer and Barb Miller

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:05 a.m.

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

There are several sets of Meeting Minutes that will be considered at next week's Legislative Meeting.

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Saylor reported that there was one Executive Session held this morning regarding litigation.

PUBLIC PARTICIPATION

There was none.

DEPARTMENT DIRECTORS/GUESTS

- A. Ed Marsico, District Attorney and Catharine Kilgore
 - 1. Application for Local Law Enforcement Grant Program – Assistant District Attorney and Detective position
 - 2. STOP Grant #23831-2 – extending project period of the Grant to 3/31/2015

Ms. Kilgore stated that she is here today to discuss an application to the Pennsylvania Gaming Control Board, on behalf of the Office of the District Attorney, for an Assistant District Attorney position and also for a Detective position. This funding has not been utilized since 2009. There was one previous grant that was received under which an attorney and detective were hired and gambling cases were investigated. It has been about five years since the County had this funding. The grant is relatively straight forward. It would fund the position salary, benefits, basic travel and training expenses and also a partial cost of an audit. They can set whatever fiscal year the County decides based on when they approve it. One of the requirements to be able to obtain the funding is that the other grant had to be properly closed out. At this point they just need a vote to make sure that the submission is okay.

Mr. Haste asked if these are the positions that were discussed at budget time.

Mr. Marsico stated correct. This was the grant that he referred to. He talked to some of the Gaming Board members about trying to get this on a fast track. The attorney position was part of the agreement that was made when the Board gave more attorneys to the Public Defender's and the District Attorney's Office. The agreement was because his office has the ability to seek grant funding and the Public Defender's Office does not, that he would seek grant funding. The Public Defender's Office filled their attorney positions and this will hopefully give the DA's office a third attorney position. The understanding with regard to the detective position would be that he would never ask the Board to pick that up when it disappears. If the funding dries up the position disappears.

Mr. Curcillo indicated that this application has been approved by this Office.

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve the submission of an Application for Local Law Enforcement Grant Program through the Pennsylvania Gaming Control Board.

Discussion

Mr. Pries stated that he fully supports this, but the general Harrisburg City crime overview, comparing Harrisburg 2011/2012 offenses, sex offenses, robberies, assaults, property offenses, arson, drug violations, alcohol crimes and homicides, to Philadelphia, those numbers are staggering.

Mr. Marsico stated that when you look at per capital numbers, because of the relatively small population of the City of Harrisburg, the County typically out ranks Philadelphia when it comes to those crime figures. It shows what the City police are up against. He just left a meeting with the command staff of the City police and they are talking about some of the things that they are facing where their detective bureau is just overwhelmed with the numbers.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

Ms. Kilgore stated that the last thing for consideration is the Dauphin County STOP Grant, extending the project period to end in March 2015. It is a no cost extension and no other grant terms change. It simply ends the date of which they can draw down the funding.

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve to extend the STOP Grant to March 31, 2015.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

B. Jay Wenger, Susquehanna Group Advisors and Donna Kreiser, McNees,

Wallace & Nurick

1. Refund of the 2009 Bonds (See Item A listed below under Items for Discussion.)

Mr. Wenger provided a handout to the Board. They are here to present an approving Ordinance to refund what is remaining of the 2009 Bonds outstanding of approximately \$8,080,000. In order to meet all the regulations of the Internal Revenue Code, they are planning to have this Ordinance approved today, assuming they get an affirmative vote. They have a rating call this afternoon with a rating agency to assign a rating and then RBC Capital Markets would market bonds sometime in the next several days. The closing would take place on December 30th so it falls in calendar 2014 so it can be bank qualified. The value of the bank qualify designation is it gets the County lower interest rates in the marketplace, which enhances the savings. Right now he is estimating savings to be about \$600,000 on a present value basis, all of which would occur in the 2015 fiscal year. The page that he provided to the Board is a summary of the County's existing General Obligation debt. The 2009 Bonds, the final maturity is 2029. This refunding contemplates shortening the debt so the final maturity will be 2024. All of the County's General Obligation debt would then come due within the next 10 years. That is a very short term for governmental debt. Within the next ten years, the County has no General Obligation debt. Right now it is almost \$12 million a year that goes towards debt service. The Board should be commended for managing the County's debt in a very prudent and conservative manner. It is very short term in its nature. The goal is to shorten the debt, realize debt service savings, all of which would occur in 2015. McNees Wallace has prepared an approving Ordinance and he will let Donna review that in summary fashion for the Board.

Ms. Kreiser indicated that the Ordinance that is in front of the Board authorizes the County's redemption of its outstanding 2009 Bonds, just as Jay described to you. It authorizes the purchase of the Bonds by RBC within a parameter so that they have the flexibility to get the approvals that they need in order to close by December 30. It appoints Manufacturers & Traders Trust Company as the paying agent for the Bonds. It pledges the County's full faith credit and taxing power for the security for those Bonds. It authorizes the County to proceed with the financing.

Mr. Haste asked if Mr. Yohe reviewed these documents.

Mr. Yohe indicated that he has reviewed the items and he is okay with the transaction.

Mr. Hartwick stated that a part of the strategy to reach the position that they have been in for the last ten years has been actively managing both interest rate and other public finance opportunities as they have been actively managed by our financial team. This is yet another example of not only meeting those obligations, but providing significant savings so they don't have to come from General Fund tax dollars and also having this County in a position to be paying down the General Obligation debt over the next ten years is remarkable and meeting those no tax increase budgets while they are

managing that long term debt, even with the pension fund. This has been a real mark of how this Board has managed the finances overall. Another good catch and hopefully an opportunity to reduce the amount coming out of the General Fund in collection with some other cuts and things that have been made to even further stabilize where they are at from the tax rate and financial balance sheet.

Mr. Curcillo indicated that it is good to go.

It was moved by Mr. Pries and seconded by Mr. Hartwick that the Board enact Ordinance #4-2014 authorizing and directing the incurring of non-electoral debt through the issuance of the County's General Obligation Bonds, Series A of 2014 for the purpose of refunding the County's outstanding General Obligation Bonds, Series of 2009 and financing the costs of issuance for the 2014A Bonds.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

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

C. Mike Yohe, Director of Budget & Finance

1. Presentation of 2015 Budget

Mr. Yohe stated that today is the day that has been advertised to present Dauphin County's 2015 Budget available to the public for the 20-day public inspection period. The budget papers were sent out to the departments in July. The budgets are returned to Mr. Yohe in August. Mr. Yohe meets with every department beginning late August through early October. Everything is put together culminated with last week's public budget hearings. He provided the Commissioners with a summary.

There are 11 Funds that will be proposed today. The first one is the General Fund, which is the main operating fund for the County. The total for the 11 Funds for 2015 is \$246,093,527. That does represent an increase of \$10 million or 4.4% over the current 2014 Budget. The General Fund, there is an increase of 2.38% increase. Two other funds, the 501 Fund is showing a 19.59% increase. Most of that is in anticipation of some upgrades to the equipment, which will be funded through the wireless tariff. If the funding is not received, that will go away. That follows through with the 514 fund, which is a reflection of where that money comes in. Those two funds are contingent upon the County getting the funding for that equipment. He asked if there were any questions.

Mr. Pries asked if the County were to get fully funded for those, what the increase would be.

Mr. Yohe stated that this does include the funding for them. It would go down if the County didn't get it.

Mr. Pries asked what the number would be.

Mr. Yohe stated about \$1.4 million less. That \$1.386 in the 501 is all that equipment.

Mr. Pries stated instead of 4.4% it would be down.

Mr. Yohe stated upper 3.0%.

He is not proposing a tax increase.

Mr. Pries stated that it has been 10 years.

Mr. Yohe stated the Budget also includes a \$650,000 salary adjustment. That takes into account all the positions that they know are vacant. There is a rolling vacancy adjustment every quarter. That is a conservative estimate. Union wages, most of the union contracts are in the 2% range. There are some that are a little bit more than that. The ones that are not settled there is a 2% built in. Non-union, there is 2% built in for next year. The pension ARC, \$7.3 million is built into this Budget. That is exactly the same as this year. Seven new positions were requested. Three positions were included. Those three will cost approximately \$175,000. Two positions were eliminated last week. They were both in the Recorder of Deeds Office. That will save about \$65,000 next year. The Incinerator debt is under control. The County did end up with a \$960,000 guarantee on the Incinerator debt in conjunction with the Lancaster County Solid Waste Department. That is all that remains. The County is locked into this \$960,000 at least for the first several years. There was a settlement amount that was owed to the County last year of \$8.5 million. The County got about \$7 million of that last year. The remaining amount was carried forward in the 2015 Budget. The debt, one was just discussed earlier, there was about \$600,000 savings today. Next year the County will do one early in 2015 which will generate some more savings. He included \$1.5 million in that for these savings. If interest rates stay the way they are anticipating, it should be significantly higher than that. \$1.5 million is built into this just to be safe. The \$192,443,006 that includes \$4.6 million, which is a pass through increase in that HUD Recovery Program. If that is backed out, the County would be looking at a decrease in the General Fund for next year. That would be two years in a row where the actual operations are lower. That is a pass-through. It is on the revenue side as well. It is an important note to make that there is a 2.3% increase with that in there. If that was taken out there would actually be a decrease of \$117,000. That would be two years in a row where the operations have come down. That is a significant point.

Mr. Hartwick stated that without the flood monies, which the County obviously wants to be the recipient of, it still is a budget that is operationally less than it was last year and less than it was the previous year. That is three years in a row that where the operating budget has decreased despite 2 to 3% salary increases, healthcare benefit increases, pension fund increases, yet the operating budget has been reduced. That is very important.

Mr. Pries stated that if that is the case, those numbers are unprecedented across the Commonwealth of Pennsylvania for a county.

Mr. Yohe stated that the General Fund supports all the other funds. This is the piece to Children & Youth, Aging and everyone else that is owed from the General Fund. The one that jumps out is the transfer to the EMA 911 Fund. In 2014, that was filled with a gaming grant. That is not in here this year, so those monies are available in the Gaming Fund for next year. They are pretty consistent. Those transfers have been pretty level. There are three new positions. The Board agreed to add a paralegal position to the District Attorney's Office, which will cost approximately \$54,000 with the benefits included. The Prison, they are adding a Human Resources Manager and an Administrative Assistant 1 position at a cost of approximately \$115,000. Overall the three new positions will cost approximately \$176,000 (salary and benefits).

Mr. Pries asked how much the benefits are on average.

Mr. Hartwick stated that it was \$22,800 this year.

Mr. Yohe stated that this Budget does include a draw down on the fund balance or reserves of about \$5.9 million. Last week there was a discussion about that being in the \$10 million range before the public hearings. They looked at a bunch of different areas and were able to cut that down to just under \$6 million. Last year at this time they were looking at \$7 million and are anticipating \$2 million. These numbers are conservative.

Mr. Saylor stated that for the support of the 911 System that accounts for about one-third of that transfer of the fund balance.

Mr. Yohe stated that is correct.

Mr. Hartwick stated that is if they draw down that entire amount.

Mr. Yohe stated that taxes represent 53% of the General Fund revenue. On Expenses, the salary and benefits figure is 45.12%. Back in 2009, that figure was 54%. The Board's efforts in reducing positions and eliminating some departments have paid off and have about a 10% drop in that piece. The budgeted salaries and benefits have grown less than 1% since 2009 in the General Fund. The Judicial is the largest piece of the pie. That is the Courts, Probation, MDJ Office, etc. It is 30%. That would be much higher without the cooperation that the Board has with the President Judge the last several years. The Judicial budget is actually down \$300,000 from last year.

Mr. Hartwick stated that with efforts to reform the way the County is looking at the adult system, they expect that number to come down over the next several years, as it was on the juvenile side.

Mr. Yohe stated that the millage rate will remain the same of 6.876 and Library .35 mills. He has never seen an overall Court reduction from one year to the next. It is the result of a nice cooperation with the President Judge. He asked if there were any questions. (There was none.)

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board place the 2015 Proposed Budget on the table for public inspection.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

Mr. Yohe mentioned that a copy will be placed at the Receptionist's desk on the 4th Floor for review. A copy will also be placed on the County's website.

Mr. Pries stated great job to Mr. Yohe and the Department Directors.

HUMAN RESOURCES

Ms. Lengle asked if there were any questions on the Salary Board items. (There was none.) She asked if there were any questions on the Personnel Transactions. (There was none.)

The Personnel Packet will be considered at next week's Legislative Meeting.

PURCHASE ORDERS

Mr. Baratucci stated that the Packet was distributed yesterday. There are a few budget adjustments that will need to be made. He pointed out that this will be the next to last Packet for 2014. Everyone has been notified of that. He asked if there were any questions. (There was none.)

The Purchase Order Packet will be considered at next week's Legislative Meeting.

TRAINING PACKET

Mr. Saylor stated that he would like approval for Items #1 and #3.

It was moved by Mr. Pries and seconded by Mr. Hartwick that the Board approve Items #1 and #3 of the Training Packet.

Question: Mr. Haste – Aye; Mr. Pries – Aye and Mr. Hartwick – Aye; motion carried.

ITEMS FOR DISCUSSION

- A. Approval and enactment of Ordinance #4-2014 authorizing and directing the incurring of non-electoral debt through the issuance of the County's General Obligation Bonds, Series A of 2014 for the purpose of refunding the County's outstanding General Obligation Bonds, Series of 2009 and financing the costs of issuance for the 2014A Bonds. **(***A Vote is Requested 11/26/2014***)**

(This item was addressed earlier in the meeting.)

SOLICITOR'S REPORT – JOSEPH A. CURCILLO, III, ESQ.

Mr. Curcillo indicated that the items listed on the Solicitor's Report will be ready for the Board's consideration at next week's Legislative Meeting.

CHIEF CLERK'S REPORT – CHAD SAYLOR

Mr. Saylor stated that he has nothing to report unless there are questions of him.
(There was none.)

COMMISSIONERS' COMMENTS

Mr. Pries wished everyone a Happy Thanksgiving! The CCAP Fall Conference was successful under Commissioner Haste's leadership. The questions that Commissioner Hartwick asked on 911 were superb, as well as the comments. That is something that needs to stay on the County's radar until this legislation gets taken care of.

Mr. Hartwick stated that he learned a lot about that particular discussion. What the County is going to do in both the social media and the grassroots strategy; is going to be critically important to make this a priority on the radar screen. All 67 counties have been very clear in saying that this is the biggest issue related to their budgets moving forward. With the strong telecommunication lobby, the counties have natural allies in this discussion. It has not been critical, because counties across the Commonwealth have stepped up to meet their obligations, as Dauphin County has with an additional \$2.2 million in General Fund revenue, but the emergency responders, the police departments, they are talking about getting petitions out to each police department, fire department, Area Agency on Aging and have all these parties who are affected by this weighing in and letting folks know that it is not just the telecoms that are helping to support their campaign, but it is the residents who are going to demand this kind of change and it has to be addressed this year.

Mr. Pries stated that he thought it was interesting that an elected official, not from Dauphin County, made a comment that since no one has called his office on the issue it is not an issue, which is pretty alarming.

Mr. Hartwick stated that the commissioners from across the Commonwealth are going to change that.

PUBLIC PARTICIPATION

There was none.

ADJOURNMENT

Mr. Saylor stated before the Board adjourns, he wanted to mention something that is very personal and a difficult thing that he went through. It deserves to be mentioned here, because it reflects very well on the County. He is in the Big Brothers/Big Sisters Program and one of his two little brothers is unfortunately now in the system. He had an arraignment out at Schaffner and it was one of the worst moments of his life. The staff at Schaffner handled themselves very well. The Probation Office, Mr. Spence, was outstanding. He was very patient. This was the first time for him and the mother. Mr. Spence explained everything and the hearing examiner explained everything. Despite the pain of being there, it really was very rewarding to see the County employees handling themselves the way they did. He thought the Board should know this.

Mr. Hartwick asked if there is a strong plan to talk about the supports needed for him to get out of the system. He asked if Mr. Saylor has been communicating about that.

Mr. Saylor stated yes. There have been a lot of discussions. They have been working with him. He made some bad decisions, but there has been a lot of support for him through the system and the community. They have included him as part of the support system.

There being no further business, it was moved by Mr. Hartwick and seconded by Mr. Pries that the Board adjourn; motion carried.

Transcribed by: Richie-Ann Martz