CALL TO ORDER

Mr. Pries, Vice Chairman of the Board, called the meeting to order at 10:09 a.m.

Mr. Pries noted that Commissioner Haste will be late to the meeting. He is involved with a CCAP matter regarding the State Budget.
MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

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

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

Mr. Saylor reported that there were no Executive Sessions held between meetings.

PUBLIC PARTICIPATION

There was none.

DEPARTMENT DIRECTORS/GUESTS

A.  Mike Yohe, Director of Budget & Finance

   1.  Presentation of 2016 Budget

Mr. Yohe stated that today is the day that was advertised to present the 2016 Dauphin County Budget and make it available for the 20-day public inspection period. This process started back in the summer. He met with every department. Public Hearings were held. He provided the Commissioners with a report that is a result of his meetings with the departments, along with the changes that were made at the Public Hearings. This is for the calendar year 2016. Dauphin County has two budget cycles. This one is the main budget cycle that runs on a January to December calendar year.

These funds are the ones that follow that time frame. The total budget for 2016 that is being proposed is $243 million, which is up .91% over the current 2015 budget.

Page 2 – Bullet points: most importantly no tax increase for 2016. When all the departments submitted their proposals for 2016, the total was about $197 million in the General Fund. That was reduced to $194.1 million. Every year a salary and benefit vacancy figure is added to take into account those positions that become vacant through the year. There is always a lag between filling them. That is a conservative number. It has worked well. All the union salary wages are factored into this amount. Most are in the 2 to 3% range. There are several that are outstanding and a 2% was included for those unions that are still under negotiation. Nonunion employees are 2%.
The pension ARC is about a $6.95 million contribution for 2016. That is a 6.2% increase over the 2015 amount. This is a conservative figure. Most times that comes in less than that. A lot of new positions were requested. Eight are included in this budget. Of those eight, two are completely funded with new revenue in the Clerk of Courts Office. There is some impact on the Harrisburg City Recovery Plan, specifically the Incinerator. The county is obligated for $960,000 and that is included. When that settled in 2013, the county was due around $8.5 million. The county received $7 million of that. The last two years he budgeted as revenue for the remaining $1.45 million. That did not come in. He does not like to over-estimate the revenue so he took that out. If it does come in this year, that will be a plus to the bottom line. Early next year, the Board anticipates refunding the 2006 Series of Bonds that funded the EMA radio project. That will save the county $700,000. That is built into these numbers. Last year it was discussed – the big recovery program through CDBG for the 2011 floods. That is a pass through, but it does have an impact in the General Fund, which overstates the actual position of the General Fund. For 2016, that increases $2.4 million. It is a complete pass through. If you take the $2.4 million out, the overall increase to the General Fund would drop to about 2.6%.

Page 3 – The General Fund supports all the other county funds. It is a slight decrease from 2015. About $16.5 million of tax dollars goes to support Children & Youth, MH/ID, Domestic Relations, Aging and so forth.

Page 4 – This is the itemization of the eight new positions.

Pages 5-8 are the usual slides that are put in the budget presentation.

Mr. Hartwick stated that after his comments a significant adjustment may need to be made to the amount of money that is being placed into the Children & Youth line item.

Mr. Yohe stated that a discussion was held prior to the meeting and those numbers are not in this budget. If that does happen, the budget will have to be adjusted. The budget can be adjusted upward by 10% without re-advertising.

Mr. Hartwick stated that it could be a $6 million increase. The Board doesn’t know what the outcome of the State budget is going to be.

Mr. Yohe stated Page 9 is the tax rates, along with the impact on various assessments. That has not changed for the last 11 years.

Page 10 shows how long the county has gone without a tax increase.

Page 11 shows back to 1987, the various County taxes over the years. It goes the whole way back to 2006.

Pages 12-15 are the summary pages.
Mr. Pries commended Mr. Yohe and his staff for a tremendous job and working with the directors and row officers to present this budget. The Board doesn’t take this very lightly. They go over the budget line item by line item and were able to trim nearly $3 million from the initial proposal. The Board’s goal is to have an unprecedented 11th consecutive year without a tax increase in Dauphin County. That will continue to be the Board’s goal; however, due to some items beyond the Board’s control, which is the inability of the State Legislature to fund a budget for 2016, the County is now at a point where it is going to need to take into consideration other mechanisms moving forward.

Mr. Hartwick stated that CCAP Board of Directors met on Saturday and based upon the update that was received, it became very clear that the issues that have been important to counties, as it relates to this budget negotiation and things that the Board has rang an alarm on in June and as late as September, related to the rebalancing initiative that is going to be a huge issue for county Children & Youth agencies moving forward is a part of the structure of the budget deal. There were concerns about the level of regulatory change and other restoration of cuts that have occurred to the behavioral health system that is also not a part of this framework. It appears that based upon what was heard and the gloomy outlook as it relates to the effects and direct financial impacts on counties, they had a very lively discussion about seeking or asking the solicitor to take a look at legal remedies against the Commonwealth of Pennsylvania for not being able to adequately fund human. One of the things that county commissioners do well is fix things. The Board makes sure that folks receive services. Being creative and figuring out ways to have finance options to continue to support the State government despite their inability, from the Governor to the Legislature, to come up with a reasonable budget that will certainly impact those receiving core and essential services here in the county are critically important – from protection of kids and seniors to making sure folks who are struggling from mental illness receive services rather than just become institutionalized. Through the Board of Directors, the commissioners made the rest of the counties aware that they were interested in doing a motion on the floor to ask the solicitor to seek out legal remedies in order to ensure that counties were never placed in this position again. One of the reasons that State government doesn’t have the pressure it used to have, under Rendell there was a finding where you could not require state workers to continue to come to work without paying them. Right now this budget impasse doesn’t impact state workers. They are all being paid and the money is being allocated. The state is also collecting revenues from state income tax, lottery funds, gas tax and federal payments. So far from Dauphin County, the amount of revenues that have been sent to the state this year is in the amount of $27,000,895. Their coffers are full, yet human service providers and counties are forced to exercise public finance options at an expense to taxpayers in programs that the county is required and mandated to provide. Counties have not been told by the Governor or the Legislature, unlike the school districts, that those borrowing costs and those costs of being able to keep the doors open, will be fully reimbursed to counties across the Commonwealth. Providers and counties are going to be out money. Dauphin County figured out ways to make it work. That makes him proud to be a Commissioner, but it also enables the Legislature to continue to move and operate in a way that doesn’t put additional pressure to be able to see a budget deal done. Right now, it doesn’t appear that the
Governor or the Legislature has very much concern about the impacts that it has to families, kids and seniors. The County is going to be facing, very soon, the ability to either have to do more financing or to close doors to services, shut senior centers, to figure out ways to reduce employees in the human service staff. Those are real options that this Board will have to face that are going to negatively affect people. As a Board, it has chosen to say that politics are not going to get in the way of keeping the doors open. The Board will do it by any means necessary.

What has happened in this recent budget framework is unconscionable. He read the motion that was made by the CCAP Board of Directors President Jeff Haste, who is now on WITF Smart Talk talking about this specific issue. “The members expressed what I am sure is the sentiment of everyone in this room - one of profound frustration that this budget stalemate has gone on long enough; that counties have to the best of their ability kept critical services available, but that those who provide services on our behalf; and most importantly those who receive those services--children, seniors and many of the other most vulnerable in our communities - are suffering from the lack of action here in Harrisburg. The Governor and the Legislature do not fully understand the scope and nature of the harm and they do not seem to share our view of the crisis in services. The clear sentiment of our Board, and of many of you we have talked to in the last two days, is that this must end, that our counties and those vulnerable citizens we represent and our local taxpayers must be made whole, and that this must never-never happen again.”

To that end, Commissioner Haste made a motion authorizing CCAP’s legal counsel to research the potential basis for litigation against the Commonwealth related to the impasse. Specifically to explore requiring the release of Commonwealth and Federal funds for essential services; in the same manner that the State has used the funds collected over the last five months for its own services. And second failing that, this motion also authorizes CCAP’s legal counsel to investigate the legal ramifications to counties and county officials of ceasing to remit funds collected on the State’s behalf at the county level during an impasse and allowing those funds to be used to fund essential local services.

The Commissioners will be placing a call out to the row officers and asking for the funds that are in fact collected to be placed in a separate concentration account and held until this impasse is complete. They have been warned by legal counsel that using the money may result in severe fines and penalties so the Board will be cautious as it proceeds on how they can apply those resources. If money is not flowing to the County, the Board doesn’t believe it is important for the money to be flowing back to the State in the same manner. The Board believes that the services we provide for mental health, intellectual disabilities, drug and alcohol, adult protective services and especially child protective services are every bit as essential as any service provided by the Commonwealth. I believe that the Commonwealth continued collection of State taxes and collection of Federal pass-through revenues without forwarding them on through these critical services who we serve is unconscionable. If we truly are partners with the Commonwealth in service delivery then our constituents’ needs and our taxpayers’ needs should be considered on the same terms as the Commonwealth.”
He referenced an article in PennLive that was done on September 4th where there was much dispute over a potential cut and at that time they were hearing thoughts of about $400 million. Today, it is clear that the rebalancing initiative that is being proposed as the framework of this budget includes a $172 million reduction from the children & youth system. He is no wizard and certainly can’t distinguish the difference between cost and accrual accounting, but he knows if you are only going to fund nine months of a budget it does not allow you to be able to fully plan and fund, as is required under Act 30, which has set up the basis for the Needs Based Plan and Budget. The $172 million rebalancing initiative is being used to fill holes in other parts of the State budget. Anybody who tells you any different is trying to use an accounting mechanism tool that is going to try to confuse the situation. That $172 million appears in no other place in the State budget moving forward. It is a direct reduction into a system that quite frankly has seen as a result of 26 law changes made by the State Legislature as a result of the Jerry Sandusky trial, an increase in caseload volume of 30 to 140% as they have talked to counties across the Commonwealth. The turnover rates in Children & Youth are the highest in record history and they have caseloads that are exceeding both the State and Federal required maximum of 30. Almost every county in the Commonwealth that they have surveyed are exceeding the 30 caseload minimum requirement. Dauphin County is clearly exceeding the 30 amount per individual caseworker. During the time where work has increased, sometimes over 100%, they are taking $172 million and using it to plug a hole in the State budget. When this was first brought up in September, the Board was told that it was a misunderstanding. It is just an accounting mechanism. The Legislature will make a promise to counties that they will make us whole. None of the commissioners are very confident in this promise, and believe this action clearly shakes the fundamental foundation of Act 30, which in 1991 was moved forward by the City of Philadelphia and established, through the court system, a needs based plan and budget process, which would ensure the State would meet their financial obligation for the services of protection of kids. Counties have been guaranteed and told by the Administration and Legislature that there will be language that will address the Act 30 concerns. Just like everything else, they have not seen any language that ensures that the needs based budget plan and process will be followed. Now, there is a $172 million reduction in the system and the counties got a promise from the Legislature to make counties whole at the end of the day. The State has a revenue problem. They are unable to deal with pensions and a significant amount of their obligations. They are trying to do it with various ways to raise revenue. None of which are agreed upon. Instead of taking and coming to a compromise and agreeing on the revenue that is required in order to balance the State budget, they are taking a system that they have now doubled the requirements on, increased the workload on counties and cut $172 million, which is only a shift in tax responsibility. They are taking what should be gained in revenue from a State budget to fully fund children and youth services and passing it on to local county property tax owners. Having $6 million more coming from the General Fund in Dauphin County to go towards the essential services that are supposed to be funded fully by the State. The County has already added $1.5 million this year in additional county monies. Now, the State is saying that they need $6 million more to do double the work. This is clearly not the kind of partnership that works. It is a tax shift and it will be additional burdens on county taxpayers and the Children & Youth
Agency that is already struggling to be able to meet the vacancy rate, turnover rate and additional requirements that are exceeding capacity. From his perspective, he doesn’t think there is a complete budget until he sees this particular picture. He doesn’t think the Board would be responsible by putting the budget on the current table from the County General Fund portion that is expected to go to Children & Youth. Beyond that, the Board is also seeing no restoration of money for the cuts that have been made under the last administration to behavioral health services and a further erosion of those resources. He is not prepared to say that this is a complete budget until he sees what that impact is going to be on county taxpayers and take that and move it forward in a compounding way to see if in fact the revenue projections and the spending plan meets where the County is at currently with the state of affairs with this budget.

Mr. Saylor stated that counties are required by the State to collect several different taxes and fees. They include the State inheritance tax, realty transfer tax, marriage license fees, etc. Since January, Dauphin County has collected close to $28 million in State taxes. Commissioner Hartwick is suggesting that the County investigate the possibility of withholding further payments to the State to provide a little pressure to get a budget enacted. Lancaster and Berks are looking at doing the same.

Mr. Haste stated that Berks is having this discussion right now.

Mr. Saylor stated that Dauphin County is owed in excess of $27 million since July 1st, because the budget has not been passed. The County has been operating without these funds.

Mr. Haste apologized for being late. He was with Doug Hill on Smart Talk. There was a discussion on this very issue. The budget needs to be laid on the table, so the process can move forward. Everyone needs to understand, as the Board has the ability to do, it could get amended depending on what happens with the State. The irony is and part of what the litigation he is hoping that the State Association takes is not only holding these funds, but counties need to further define what essential services are. The State has made a commitment, as Commissioner Hartwick said, with Act 30 of 1991 where there was some definition of essential services. After the last budget debacle the Courts then ruled that the Administration/Governor’s Office could determine what an essential service was. One of the essential services that they determined was for State employees to be paid. He appreciates the fact that State employees are getting paid, however, what that means then in that decision they have decided that the work that caseworkers do and work that counties do apparently is not an essential service. The County continues to collect dollars, send to the State and they continue to take Federal dollars, on behalf of counties, and not pass any of those back to counties to do work. However, the State continues to do some of the things that they feel are essential. As the 67 counties go, when there isn’t enough revenue, another option is to try to take a look at what you can trim back. DEP has cost the county additional money this past year with some bridge programs. The County had some improvements to do stream encroachments. Things and philosophies changed and new requirements are out there. This again highlights the fact that the State system is close to being broke if it isn’t
already broke. The hypocrisy is that the county is doing work on behalf of the
Commonwealth. The County is a political subdivision of the Commonwealth. The
County does their heavy lifting, but the State chooses not to pay their bills. There
are about 300 commissioners from across the State, almost every county was represented,
and there was not one “no” vote on CCAP taking action to move forward. The
frustration level in the counties across the Commonwealth is probably at an all-time
high. Unfortunately, the State has not seen any pain. They have pushed it all down to
the counties. Counties are saying that they have had enough. He does believe that the
County needs to move forward with the budget, however, he has not a lot of confidence
on the State side of this budget.

Mr. Hartwick stated that the County will not unveil those policies, but one of the things
that was suggested was just as the State has defined essential services as paying State
employees, the County needs a policy change from the State that ensures that essential
human service funding in the case of future State budget impasses remains at level
funding at least until they are able to get the mess and the politics of the State squared
away. The idea of seniors who are being abused, neglected or in need of meals on
wheels – is the State not collecting lottery funds. They are clearly collecting lottery
funds, but none of those funds have gotten to county government to be able to do work
for seniors.

Mr. Haste stated that the State is collecting Federal Medicaid money that is not coming
down to the counties.

Mr. Hartwick stated that the State wants to relieve the pressure – well stop holding
county taxpayers and people who are relying on essential services to ensure they are
protected, because they can’t get their politics together. It is time that counties have
reasonable responses related to these issues.

Mr. Haste stated that another thing that came up in some of the calls received today;
there are a number of folks out there who make speeches on property tax reform. They
are for property tax reform. They have made votes to that degree. He would be curious
to watch those who make that statement to see how they vote on this, because if they
vote for this budget as it is now, they would be voting to do a property tax shift. If they
are for property tax reform how could they vote for this, knowing that they are shifting
the burden of funding these services to counties. They know full well that counties sole
ability to collect additional revenue is through the property tax.

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board
support CCAP’s motion to support CCAP and all counties in their mission
to research potential basis for litigation against the Commonwealth related
to the impasse, to explore requiring the release of Commonwealth Federal
funds for essential services in the same manner that the State has used
funds to collect over the last five months and failing that this motion also
authorizes the Association, in this case Dauphin County counsel, to
investigate the legal ramification to counties and county officials of
ceasing to remit funds collected on the State’s behalf, at the County level, during an impasse and allowing those funds to be used to fund essential local services.

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

It was moved by Mr. Pries and seconded by Mr. Hartwick that the Board lay the 2016 Proposed Budget on the table.

**Discussion:**

Mr. Hartwick indicated that his second allows for the potential amendment of the budget depending on where the State comes in related to their smoke and mirrors way to eliminate dollars out of the County’s Children & Youth budget, which is only going to be a property tax shift.

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

Mr. Saylor stated that the budget will be available on the County website and also at the front desk in the Commissioners’ Office.

**HUMAN RESOURCES**

Ms. Weidner stated that there are no changes. She asked if there were any questions. (There was none.)

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

**PURCHASE ORDERS**

Mr. Baratucci stated that the Purchase Order Packet is light. There are a few budget adjustments that will need to be made prior to next week. He asked if there were any questions. (There was none.)

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

Mr. Haste asked if he sent notification out to the departments with regard to the end of the year purchases.

Mr. Baratucci stated that he did.
TRAINING PACKET

It was moved by Mr. Hartwick and seconded by Mr. Pries that the Board approve Items 1 and 2 of the Training Packet.

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

The remaining items on the Training Packet will be considered at next week’s Legislative Meeting.

ITEMS FOR DISCUSSION

Mr. Hartwick wished everyone a Happy Thanksgiving. As families are sitting around this Thanksgiving, he hopes they are going to talk about the actual mess in Harrisburg and not allow for the blame game to continue occurring. The County has to adopt a budget every year. The Legislature and the Governor spend more time figuring out who is going to be blamed for the mess than they do trying to resolve the issue. Citizens should call on both parties to be able to get this resolved. It is a fundamental part of their constitutional responsibility. While they are trying to figure out a way to get it taken care of, stop holding the people that often times don’t have a voice hostage and taxpayers.

Mr. Pries stated that this Board has stayed out of these budget negotiations at the State level for as long as possible, but now it is negatively impacting the County. On behalf of the 270,000 residents, this Board owes it to them to make comments as appropriate.

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

Mr. Curcillo stated that everything on the Solicitor’s Report will be ready for next week.

He presented an item that was handed to him late yesterday. The District Attorney’s office has submitted an extension of a STOP Grant that needs to be submitted by November 30, 2015. It is the STOP Grant Collaborative Initiative that needs to be extended through March 31, 2016.

It was moved by Mr. Pries and seconded by Mr. Hartwick that the Board approve the PCCD Extension of the STOP Grant, which extends the grant to March 31, 2016.

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

There was none.

PUBLIC PARTICIPATION

There was none.

ADJOURNMENT

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