

COMMISSIONERS' MEETING MINUTES
NOVEMBER 27, 2013

Commissioner Chairman Rodney D. Ruddock called the regular meeting of the Indiana County Commissioners to order at 10:30 a.m. in the Commissioners' Hearing Room.

ROLL CALL

Chairman Rodney D. Ruddock, present Commissioner David S. Frick, present
Commissioner Patricia A. Evanko, present

Also in attendance were Solicitor Michael T. Clark, Chief Clerk Robin Maryai, and others. Members of the news media present were Randy Wells, Gina DeFavero and Josh Widdowson.

PLEDGE OF ALLEGIANCE

Commissioner Ruddock led those present in reciting the Pledge of Allegiance to the American Flag.

APPROVE MINUTES...OCTOBER 30, 2013

A motion was made by Ms. Evanko, seconded by Mr. Frick and unanimously carried to approve the minutes of October 30, 2013 as submitted.

PUBLIC COMMENT

There was no public comment.

PROCLAMATION...DR. RALPH MAY AS PENNSYLVANIA RURAL HEALTH HERO OF THE YEAR

After a proclamation was read by Mr. Ruddock, a motion made, seconded by Ms. Evanko and unanimously carried to proclaim Dr. Ralph May as Indiana County's Rural Health Hero. Dr. May is the chief clinical guidance officer at the Community Guidance Center. The commissioners thanked him for his work with state and community organization and his use of local resources to expand and improve mental health services in the county. Dr. May was present to accept the proclamation. He said "We are losing mental health services at a time when the need is increasing. Indiana County is a wonderful place because we have the resources here in our people."

CONTRACTS...DATABASE SHARING / HUMAN SERVICES

Dr. Bonni Dunlap explained at previous meetings the Board approved contracts supporting a shared data base showing what services agencies are providing in Indiana County. She asked that the following three contracts be added:

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a contract with St. Thomas More to be on the shared database.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a contract with Chevy Chase Community Center to be on the shared database.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a contract with Church Crisis Committee to be on the shared database.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a contract with Salvation Army to be on the shared database.

CONTRACT...MOTOROLA/EMA

At the request of Tom Stutzman, Director of EMA, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a contract with Motorola in the amount of \$2,310,516.00 to provide an extended maintenance agreement on the public safety radio equipment at 911. This contract will begin on September 1, 2016 and end on December 31, 2023. The first payment is due on September 1, 2016 and the equipment will remain under a two year factory until such time.

TENTATIVE AGREEMENT...PSSU (Commissioner's Residual, CYS, Planing & GIS)

CONTRACT...PSSU COURT EMPLOYEES

At the request of John Reilly, the County's Labor negotiator, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the contract for PSSU (Commissioner's Residual, CYS, Planning & GIS). This is a four year contract. The healthcare would continue at a 10% contribution rate. Wage increases will be 2% - 2013; 2.5% - 2014 and 2015; 3% for 2016. In the first year there was an additional \$.05 per hour added to the longevity schedule. He noted that the bereavement and travel reimbursement were also brought in line with other county employees. This contract is similar to previously approved contracts.

CHANGE ORDER #5...INDIANA BOROUGH INDIANA DOWNTOWN SEGMENT B2 ECONOMIC DEVELOPMENT PROJECT

At the request of the Office of Planning & Development, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve Change Order #5 with M and B Services, LLC on the Downtown Segment B2 Economic Development Project. Change Order #5 in the amount of \$16,977.56 is for a design change of the IRMC sign letters to increase their size and mounting height. The revised contract amount with

M and B Services, LLC will be \$953,305.60. This additional cost shall be covered by the Borough of Indiana's project contingency funds.

REVOLVING LOAN FUND RECOGNITION LETTER

Commissioner Ruddock said that the board received a letter from Robert Joseph who owns Joseph Maintenance Services. The letter stated that they have made their final payment to the County. Mr. Joseph thanked Indiana County for having faith in a relatively new company and for committing the funds to purchase new equipment. He thanked the board for having faith in their company and for making them feel like they were dealing with family. Joseph Maintenance Services will be celebrating their 20th year anniversary and our County government helped us to get there.

CONDITIONAL CONTRACT AWARD...AWOS III UPGRADE PROJECT / AIRPORT

At the request of Ron Anderson, Chairman of the Airport Authority, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a "conditional" contract award to Bronder Technical Services, Prospect, PA as the low bidder in the amount of \$80,600.00. The condition on the award will be lifted following the receipt and acceptance of a grant offer and award from the PA Bureau of Aviation. Additionally, the PA Bureau of Aviation must concur in writing with the contract award.

APPROVAL OF GRANT OFFER REQUEST...AWOS III UPGRADE PROJECT / AIRPORT

At the request of Ron Anderson, Chairman of the Airport Authority, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a grant offer request in the amount of \$87,100.00 to the Pennsylvania Bureau of Aviation for an upgrade of the Automated Weather Observation System (AWOS) at the County Airport. A grant offer and award must be received and accepted by the County from the Bureau of Aviation to provide the State share of the funding prior to the final and unconditional award of a contract to the low bidder on this improvement projects. This grant offer request covers the low bid, legal and engineering costs and bid advertising costs for the project. The local share of the project costs for the improvements will be \$29,237.00. The Airport Authority has officially taken action to provide the local funds, and have them deposited in the project account.

AMENDMENT OF RIGHT OF WAY EASEMENT FOR SANITARY SEWER LINE / AIRPORT

At the request of Michael T. Clark, Solicitor, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve an amendment of right of way easement for sanitary sewer line at the Indiana County Airport. The county had to move some sanitary sewer lines that were owned by White Township. This will correctly reflect where the sewer lines are.

CONTRACT...COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA (CCAP) TO PROVIDE BONDING FOR THE 2014-17 TERM OF THE TAX COLLECTORS

At the request of Robin Maryai, Chief Clerk, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve a resolution entering into a contract with the County Commissioners Association of Pennsylvania (CCAP) to purchase a blanket Tax Collector Bond for the 2014-2017 term. The total cost of the bond is \$51,587.00 and will be pro-rated and billed to the county, townships, boroughs and school districts. The Reschini Agency will be administering the contract on behalf of the county. It is noted that the county has received a letter from the Tax Collectors Association supporting the purchase and the county will be saving approximately \$20,000.00 over the next four years.

2014 GENERAL FUND BUDGET

Commissioner Ruddock read the following:

Today we are presenting our 2014 general fund operating budget for Indiana County. This budget does not call for any increase in taxes but instead maintains the current level of funding millage.

As you may recall, in 2012 President Judge Bill Martin approved a 5 mill tax increase to be applied in year 2013. This capped our ability to raise any additional general fund tax until the completion of our tax reassessment. The dollars resulting from this one time millage adjustment needed to be judiciously applied to our annual budget needs not only for the year 2013 but the out years as well.

When you look at our current balance sheet you will find that we have built a reasonable reserve through the result of strong fiscal oversight and the prudent application of dollars from our 2013 one time millage application.

While the reserve fund looks solid, it has been created with the intent that for the next four years it will be significantly drawn down to offset what tax dollars would normally be applied. As we are going through this period of reassessment we are cautiously looking at our program needs to keep our costs balanced with our revenue stream.

Our challenge has been to balance a rather static tax base with normal incremental inflationary costs along with unforeseen financial "bumps" which create little room to maneuver.

For example, the affordable health care act places an additional burden of approximately \$400,000 in our expense ledger. Additionally, we were notified by the department of environmental protection that the lake and dam at Blue Spruce Park will require an extensive engineering study with an estimated cost of engineering

of \$240,000.00 not to mention any additional construction upgrades. These were both un-forecasted costs which must be included into our budget profile.

There is also some concern over the state reimbursement plan to counties for wireless services which could cause a shortfall of dollars beginning July 1st in excess of \$450,000.00. We will be working closely with the legislative to insure stability in this state funding process.

Achieving a balanced budget for 2014 and the out years is not an easy task. It does mean that there will be a lot of difficult work to be done in the years ahead. We will continue to work hard for the tax payers and we remain committed to providing services and programs that the citizens and taxpayers of Indiana County require and deserve. Just as important we promise to minimize cost and expense and financial burden placed upon our taxpayers.

As you are well aware, we have not backed away from our responsibility to undertake projects that were needed but were neglected through the years and/or have been mandated by federal or state agencies. Each of these projects has required substantial financial commitment by the county and also required and still require a significant commitment of time and human resources. Each project has had and continues to have a significant impact upon our day to day operations and our year to year budgets. Within the next two or three fiscal years we expect to have all of these significant projects behind us and have the associated revenue and expenses fully incorporated into the operating budgets. In many cases we have been able to utilize relationships with our elected legislative representatives to secure some financial assistance to minimize and/or eliminate direct financial commitment from our general fund. I am pleased to note that our financial commitment to the KCAC as part of the land acquisition for the convention center has been fully satisfied.

Yet, it is critically important that we continue to serve and protect our courts. This extends to all the agencies that are daily engaged in assuring the protection of our public environment. 48% of our current budget is devoted to court, public safety and other related agencies.

Frankly, we are finding it difficult to squeeze any more dollars out of very constrained operational budget. Our department heads and elected leaders have done all that they can do to try to keep our costs contained within our operational growth. This is an extremely difficult measure when our budget seems to escalate at about a 3% inflationary rate independent of financial "bumps".

Final checks and balances are made on department budgets, managed by our fiscal team, prior to the release of any committed dollars. This provides additional control on specific plan county expenditures. We also will continue to in our attempt to bring additional balance on our budgetary plan by delaying the hire or not replacing employees who retire or seek other employment. However again we must keep in mind that a safe and productive environment must be preserved as we implement the intent of this plan.

I am sure my colleagues would join with me in recognizing the efforts of our fiscal team to the effort which is needed to monitor and develop a balanced budget. Our financial advisor mark lundquist and our financial supervisor Lisa Bowser have instituted a continuous 12 month review and developmental process.

With modern software and thorough and a very detailed department by department breakdown they work closely with each and every department in the county to track expenses, monitor budgets and expenditures and predict and develop future financial needs and requirements. We have developed and refined a multi-year budgetary process that is continually updated and designed and predict and forecast future financial requirements.

We recognize that every dollar matters. We recognize the responsibilities and programs that county government is mandated to provide. We get frustrated when we learn of mandated services and programs which get passed on to the county by state and federal governments, many times with limited minimal or even no funding assistance. Yet we do our best to move forward in a practical, sensible and common sense manner. Slowing the rate of growth can be, and often, is a worthwhile and achievable goal.

This county has faced and continues to face many financial and economic challenges. We face an uncertain future about how we will need to deal with the provision and cost of employee healthcare and pension reform. Transportation costs will most likely increase thus increasing many of our operational costs well beyond the three percent threshold. We need to remain focused on growing our tax base and improving our economic climate. We will continue to monitor our business practices to improve the method and manner of providing services to our citizens...our stake holders.

This budget proposal will be on review for your consideration and will be presented for adoption at our December 18th board meeting.

Commissioner Frick said that he will be leaving office as Commissioner at the end of this year. He is making the decision to leave because he thinks it is the time to do so. He has received many letters and comments from people congratulating him on his willingness to except the fact that it is time to leave. With all of the complications of running this county, he made that decision. He made the following statement:

Never in my career have I worked with anyone in a management capacity than with Rod. I can't tell you how comprehensive and visionary he is for the sake of this county and I am blessed to have served with him and

equally so with Patty Evanko. When I think back over the things we have done as County Commissioners, we had a jail that was ready to fall down and dealt with that in the beginning. The other project we decided to do is reassessment. It has been 45 years since the last reassessment in Indiana County. The change of real estate transaction that have taken place over the last 45 years you can understand why this reassessment primarily is an opportunity to balance the fairness of the taxes people pay to run this county. Those are two things that are really important to me. He was impressed at how the departments came in here with their budgets and it was important that last year's budget matched last year's budget. It was amazing to us how many departments came in presenting that kind of a budget for us. It was easy to accomplish some of the goals we had because of their cooperation. It is hard for me to find anything in my ten years as a commissioner that had any implication of Republican or Democrat. I also appreciate Robin, Lisa and the other staff and they make this county work. I have been incidental in the working of this county compared to the capabilities that I am surrounding with in the personnel in county government. I am as proud as I can be to have been a part of it for ten years.

Commissioner Evanko read the following statement:

She said across the state she hears majority and minority, which one are you?, I am shut out. I have to say being the minority commissioner I have been a part of the process and am not blocked out and I am asked my comments, I am asked my suggestions and I do put my input into it and they gladly listen to me. I don't feel that there is any part of politics is played in whole process for us. We are here to serve the people and that is what we do and we don't come here for limelight and we take our jobs seriously.

Commissioner Ruddock and Commissioner Frick's comments basically summarize the process we have been going through over the last few months. We have worked long and hard on this budget and have had great support and cooperation from our department heads and we can't say that enough. We realize we have asked them to cut their budgets for the last three to four years. We are now down to the bare bones with no fluff left at all. We appreciate their extreme efforts and cooperation. We thank our excellent staff for their time and effort in helping us pull this budget together especially Robin and Lisa who have worked long hours to accomplish this task. I also have to thank Mark Lundquist for his guidance throughout the process and also thank John Reilly for his diligence in helping us achieve contractual agreements that is within our line hopefully that we can afford. They have had to deal with our requests, frustrations and extra time needed to accomplish this budget in its current form. We have had to sharpen our pencils over and over again because if someone came in without a zero balance we told them to go back and come back with it at a zero balance and they have worked with us. Our citizens are taking steps in their homes to reduce their costs by lowering their thermostats, weatherizing their homes or whatever additional steps they need to take to get through challenging times in these economic developments. We want to be as fiscally responsible to the people we serve as our citizens are.

Mr. Frick made the motion, seconded by Ms. Evanko and unanimously carried to approve the tentative General Fund Budget as follows:

Opening Balance.....	\$835,141
Total Revenues.....	\$31,548,999
Total Expenditures.....	\$32,384,140

The real estate tax will remain the same. This will allow a real-estate tax rate of 37.40 mills. 7.40 mills of 37.40 are applied to debt service with the remaining millage of 30.0 to general operating fund. The per-capita tax rate will remain at \$5.00

2014 CAPITAL FUND BUDGET

Commissioner Frick made the motion, seconded by Ms. Evanko and unanimously carried to approve the tentative Capital Fund Budget as follows:

Total Revenue.....	\$19,000
Capital Improvement Fund Balance...	\$209,204
Capital Fund Expenditures.....	\$228,204

2014 LIQUID FUELS BUDGET

Commissioner Frick made the motion, seconded by Ms. Evanko and unanimously carried to approve the tentative Liquid Fuels Budget as follows:

Total Revenue.....	\$651,085
Liquid Fuels Fund Balance.....	\$658,512
Liquid Fuels Expenditures.....	\$1,309,597

CONSIDERATION OF ORDINANCE RELATING TO THE REFINANCING OF THE GENERAL OBLIGATION NOTE

Commission read the following statement from Mark Lundquist who was not able to attend the meeting:

While many may consider the introduction of the new budget as either the last significant action of the current 2013 fiscal year, or perhaps as the first step of the 2014 fiscal year, I wish to point out that the Commissioners

and staff have been contemplating this budget for the past 3 or 4 years as part of the ever-evolving 5 year budget plan.

As interest rates and market conditions have changed, the County has been able to work with the banks to refinance and restructure the outstanding loans to provide debt service and budgetary savings which have been valuable to the County as it looks forward through the five year budgetary window.

I have asked the Commissioners to schedule a special meeting next week to consider two such opportunities that we have been discussing with the banks for the past few months. We will present an ordinance to refinance and restructure two of the outstanding loans of the County, the 2010 Series B General Obligation Note and the 2010 Series C General Obligation Note. These two loans are outstanding and held by S&T Bank and other local participating banks.

The Series B Note is currently outstanding in an amount of approximately \$3.5 million. It was borrowed by the County to finance some of the costs of the prison construction and other capital projects. The Series C Note is currently outstanding in an amount of approximately \$5.5 million was borrowed by the County to finance some of the costs of the communication project.

We expect to accomplish two significant financial goals for the County through the refinancing and restructuring of these obligations. First, we will generate significant debt service and budgetary savings in the next few fiscal years, savings which will assist the County in balancing its budgets and maintaining its commitment to no millage increases during the reassessment project.

A second valuable part of the restructuring will be a significant shortening of the term of the outstanding loans. Although we are still finalizing the details with the banks, we expect that the overall length of the two loans being restructured will be reduced by up to seven years – the 2010 B and 2010 C Notes have final maturities in fiscal year 2033. We estimate that the two new loans will have final maturities in 2026.

With this restructuring the County's overall debt will have an average remaining life of a little less than 8 years, a very positive position for this County particularly when compared to some of its peers.

I have asked the Commissioners to schedule a brief special meeting next Wednesday to consider an ordinance to approve the refinancing. The special meeting is necessary to accommodate the unique legal advertising requirements of the Pennsylvania Local Government Unit Debt Act. The Debt Act is the legislation which governs the process and procedure that the County must follow to refinance the outstanding notes.

Holding the special meeting next week will permit the County to approve the refinancing and secure the approval of the Commonwealth's Department of Community and Economic Development and close the transactions in December to secure some of the financial benefits for the 2013 and 2014 budgets.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the special meeting on December 4, 2013 to consider an ordinance for the refinancing of the 2010 Series B General Obligation Note and the 2010 Series C General Obligation Note.

BOARD APPOINTMENT...SOIL CONSERVATION

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the appointments of Beth Marshall as Farmer Representative and Scott Overdorff as Public Representative to the Soil Conservation Board; terms to expire January, 2018.

Commissioner Ruddock said a nomination has been received for John Somonick to be on the board. The Board is going to ask that Jim Resh from the Conservation District petition the State to add another one or two position to the board so that it can be done. The motion included that this action be done.

COURTHOUSE CLOSED...THURSDAY NOVEMBER 11, 2013 VETERANS DAY

The courthouse will be closed on Thursday, November 28, 2013 and Friday, November 29, 2013 in observance of the Thanksgiving Day Holiday.

OTHER BUSINESS

The board wished the Homer Center Wildcats football team good luck as they attend the quarter finals in Hershey.

NEXT REGULAR MEETING...DECEMBER 11, 2013 AT 10:30 A.M.

The next regular scheduled Commissioners' Public meeting will be held on Wednesday, December 11, 2013 at 10:30 a.m. in the Commissioners' Hearing Room.

ADJOURNMENT

With no other business to come before the Board at this time, Commissioner Ruddock adjourned the meeting at 11:34 a.m.