

OCTOBER 29, 2008

On the above date at 11:00 A.M., the Luzerne County Board of Commissioners convened a special meeting with the following present: Maryanne Petrilla, Chairman; Gregory Skrepenak, Commissioner; Stephen Urban, Commissioner; Douglas Pape, Chief Clerk/County Manager; James Blaum, County Solicitor; Tom Pribula, Chief of Budget and Finance; Doug Richards, Director, Human Resources

Maryanne Petrilla called the meeting to order and asked everyone to join in saying the Pledge of Allegiance.

It is noted that all meetings are electronically recorded.

CALL TO ORDER.....Maryanne C. Petrilla, Chairman

**ANNOUNCEMENTS:.....Douglas A. Pape
County Manager/Chief Clerk**

Executive Session was held on Wednesday, October 29, 2008 at 10:30 A.M.

PUBLIC COMMENT:

Carl Romanelli began by thanking the Board of Commissioners for allowing him to use the Court House Rotunda last week. Mr. Romanelli stated that he was here to address the budget situation. He encouraged all parties involved to keep the dialogue respectful and focus on a solution. Mr. Romanelli stated that he wanted to say a few words on behalf of the union workers. He stated that in all his years of dealing with the county we have had a number of services that are second to none in serving the citizens of Luzerne County. He stated that there have been at least three buyouts, which have saved the county a great deal of money. Mr. Romanelli stated that before the county starts sending the working people home there are a number of significant cuts that can be made in management. He stated that these decisions could be made immediately without the complexities of the unions and various contractual obligations. He stated a good measure of earning the trust from the taxpayer and worker was to show that not only are we trying to reform a budget but maybe we can reform how we talk to each other and treat policy decisions and how we arrive at those decisions. He stated that if the public leaders work together we can solve this crisis and the best in us can shine through. Mr. Romanelli stated that he stood in support of the union workers here in Luzerne County.

Walter Griffith stated that he opposed the borrowing of \$5.3 million dollars. He stated that he didn't believe the county could get out of debt by borrowing more money. He stated that they needed to cut spending. Mr. Griffith stated the reason he didn't file a complaint with the DCED was because he was assured that it would have hurt county employees. He stated that he didn't feel the county needed to lay people off; they need to find the money from other sources such as certificates of deposit or interest from bonds. Mr. Griffith stated a budget was submitted, there were shortfalls in revenue and everyone is pointing the blame on last years Budget Director. Mr. Griffith stated as Controller you had input into the budget. He stated that it was mismanagement from the top. Mr. Griffith stated that he didn't understand how the county can pay off a tax anticipation note in July when it is due in December. He questioned how the Controller could authorize this. Mr. Griffith stated that he asked the Controller if there was a county financial audit report done and was told he wasn't sure. Acting Controller, AJ Martinelli responded that he didn't state that. He told Mr. Griffith that they cannot file the DCED report until the 2006 audit is complete. Mr. Griffith questioned if the county is mandated by the county code to file this report by April 1st the following year. Mr. Martinelli responded yes, we are. Mr. Griffith stated so we are in violation of the county code. Mr. Martinelli responded we are. Mr. Griffith questioned for

two years, who was the Controller? Commissioner Petrilla responded that when the audit isn't done you cannot do the report. She explained that you have to send a letter to the President Judge telling him why it is not done, and he will send back a response granting an extension. Commissioner Petrilla stated that process was done. Mr. Griffith stated that the DCED had no record of that on file. Mr. Griffith questioned why someone wasn't watching over these things. Mr. Griffith commented that the county should not punish the people who work at the county because it was the mismanagement of the Commissioners and the people who work under them.

Bob Reilly, Clerk of Courts, stated that the Row Offices have done everything they were supposed to do which included staying within their budget. He commented that this crisis was not caused by any actions of the Row Offices. He stated that the Row Officers had the right to hire and fire within their office. He stated that it was their position that any layoffs in their office would have to be approved by a Salary Board action. He stated that they were very concerned about cutting back 20% next year. Mr. Reilly stated that the county applied for a \$16 million dollar loan and the judge approved \$5.3 million. He questioned whether there would have been any layoffs this year if the county received the \$16 million loan. Commissioner Petrilla responded not this year but there would be next year. Mr. Reilly stated now it's down to \$2.5 million. Commissioner Petrilla responded that they would be borrowing \$5.3 million. Mr. Reilly questioned if the county needed \$2.5 million to get through the end of the year. Commissioner Petrilla responded that the county is short \$4.2 million for 2008. Mr. Pribula stated that the figure of \$2.5 million was the savings if they laid workers off. Mr. Reilly stated if you need to reduce it by \$2.5 million to get through the end of the year and you somehow come up with those funds then we should be able to make it to the end of the year. Commissioner Petrilla responded that the \$2.5 million dollar figure was now \$4.2 million. Mr. Pribula stated that it didn't totally fill the gap, however it does save money. He stated that they couldn't reduce staff at the Prison or 911 so the \$2.5 million was an effort to bridge the gap between what is actually needed to get through the end of the year. Mr. Reilly questioned whether there would still be layoffs if the county came up with the \$2.5 million. Mr. Pribula responded that there would still be a deficit. He stated that would be a decision for the Commissioners to make. Mr. Reilly stated that he couldn't understand the resistance from the Commissioners or Fiscal Director. He commented that whether the county borrows \$16 million from the Court or \$5 million from the agencies they are still borrowing money. Commissioner Petrilla responded that was not entirely true. She stated if the county borrowed \$16 million through the Courts that would be spread out over a decade. If the county borrowed from the agencies that would have to be paid back on January 1st. Mr. Reilly questioned why the county couldn't go back next year and request another loan. He stated that he thought the ultimate goal of the Commissioners was to reduce employees no matter what the circumstances. Commissioner Urban responded that the problem was the revenue. He stated that the county can dig another hole but it would need to be filled in January. Mr. Reilly responded the revenue that is not being met was put into the budget by the Commissioners or Department Heads. Mr. Reilly gave the example of the sale of land. Mr. Reilly stated that the county needed to sell that land back in January not in July or October when Mericle was hired. He stated that the county did nothing for eight months. He stated that this was not the fault of the rank and file. Mr. Reilly commented that the county is just thinking on how to lower costs and lay people off. Commissioner Petrilla replied that the goal of the Board of Commissioners was to work within a budget. She stated that it had nothing to do with layoffs or downsizing. She stated that they had a fiscal responsibility to work in a balanced budget. Mr. Reilly replied that the Row Officers have been fiscally responsible and have worked within their budget. He stated that they have done everything that had been asked of them and now the proposal is to lay off people in their offices. He stated that the Row Offices had nothing to do with the problem. Commissioner Petrilla responded that the county's proposal was to come in with a balanced budget. Mr. Reilly responded that the Row Officer's proposal was to keep their budgets the same as they have for the past few years. Commissioner Petrilla responded that couldn't be done. She explained that the revenues and expenses didn't match. She stated that it comes down to an entire budget. Mr. Reilly responded that as an elected official they are fiscally responsible for their own offices. Mr. Reilly stated that he has not had a new employee since 2000. He stated that the commissioners can lay off their entire department but when it comes to the Row Offices there needs to be a Salary Board meeting. Commissioner Urban responded that the Commissioners were the fiscal agents of the county. He stated that the Commissioners needed to approve a budget and provide the various departments with the funds they felt they needed to run their office. Mr. Reilly responded that legally it must be done through Salary Board. Commissioner Urban responded that the Commissioners responsibility was to make sure the budget was balanced.

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COMMUNICATIONS – DOUGLAS A. PAPE, COUNTY MANAGER/CHIEF CLERK

MOTION

REAUTHORIZATION OF THE UNFUNDED DEBT ORDINANCE

Request a motion approving an ordinance of The County Of Luzerne, Pennsylvania, setting forth its intent to issue one or more Series of General Obligation Bonds or Notes of the County in an aggregate principal amount not to exceed five million three hundred thousand dollars (\$5,300,000) pursuant to the Act of The General Assembly of The Commonwealth of Pennsylvania, known as the local Government Unit Debt Act, to provide funds for a certain project of the County consisting of (1) funding unfunded debt of the County; and (2) paying the costs and expenses of issuance of the bonds; authorizing and directing specified officers of the County to do, to take and to perform certain specified, required, necessary or appropriate acts to effect the issuance of the bonds; and repealing all ordinances or parts of ordinances insofar as the same shall be inconsistent with this ordinance; all as more fully set forth in the complete text of the ordinance.

Commissioner Urban questioned if this \$5.3 million would be used to get the county through the end of the year. Mr. Pribula responded that it would. Commissioner Urban stated the number of layoffs would be reduced if the county borrowed this money. He stated voting against this motion would show a support of layoffs. Commissioner Skrepenak questioned Commissioner Urban if he was speaking for him now because he was voting against it. Commissioner Skrepenak stated that the county would only be in the hole \$7 million dollars if the refinancing was followed through. He stated that a lot of the initiatives in the last budget were thrown to the wayside because no questions were asked of the previous administration. He stated that they were just blamed. Commissioner Skrepenak stated that he had conflicting reports from the county's then financial advisor who had conversations with the current administrators and nothing was done. He stated that he felt this self inflicted crisis did not have to happen. Commissioner Skrepenak stated that revenues have not met the rate of inflation over the last few years. He questioned how we can control a budget when we can't control the expense and the inflation of that expense. Commissioner Skrepenak stated that he understood the county needs to save money however he didn't think it had to happen the way it did. Commissioner Skrepenak stated that he didn't believe the county followed through with the initiatives that were in the budget. He stated that he didn't think the county aggressively pursued the sale of Valley Crest, in which the county had a legitimate appraisal. He stated that he was told easements were the reason we didn't do that. Commissioner Skrepenak stated that he believed they could have been worked through to sell the property. He stated that there was a study done to use the property for Human Services. He questioned how these revenues can materialize when the will of the board has changed. Commissioner Skrepenak stated that he did not support layoffs. He questioned why this meeting was held. He asked if it was because the previous meeting was not advertised. Commissioner Skrepenak further questioned who paid for the prison study, now that we find the prison population will double since the last report. He stated that there were arguments that those numbers were fraudulent and didn't add up. Commissioner Petrilla stated there was a motion on the table that had nothing to do with the prison. Commissioner Skrepenak stated it was relevant to the budget.

It was moved by Commissioner Urban, seconded by Commissioner Petrilla
“AYES” PETRILLA, URBAN “NAY” SKREPENAK

Doug Pape stated that the following motion was to approve a grant application to the Pennsylvania Department of Economic Development for a financial, early intervention plan. Mr. Pape stated that one of the things he wanted to address about this was he spoke with DCED and was told the county had a previous plan from 2004 to 2009. He stated according to the representative he spoke with he was informed that the plan was basically used as a door stop. He stated that was their quote. Mr. Pape stated that the plan was not followed. He stated that it called for a balanced budget by 2007, and obviously that did not happen. He stated according to DCED it was left by the wayside. Mr. Pape stated that this motion was to implement another plan by working with DCED and the financial advisors.

MOTION

Early Intervention Program

Request a Motion of the Luzerne County Board of Commissioners authorizing a resolution that approves the submission of an application to the Pennsylvania Department of Community and Economic Development (PA DCED), effective October 29, 2008, as well as authorization for the Chairman of the Board of Commissioners to execute any and all documents necessary for the application for and receipt of PA DCED funding in regards to the Early Intervention Program. The match may be up to fifty percent (50%) of the project costs.

Commissioner Skrepenak stated that the previous door stop plan had several initiatives that were followed and if Mr. Pape read PFM's update he would see the strides that have been made. He stated had they not the county would be in a more financial crisis. Mr. Pape replied that DCED told him that they have not seen much of anything from the county since 2006. Commissioner Skrepenak replied that the fact of the matter was that there is a reality to this job and the reality doesn't hinge around widgets or around a production of a widget. He stated that it revolves around delivering service. Commissioner Skrepenak questioned now that we are talking about layoffs and with the snowfall the other day, who was going to go out and plow the roads in an emergency. He questioned if someone doesn't go out will the county be liable if something were to happen. Commissioner Skrepenak questioned who was going to provide service at the prison. Commissioner Petrilla interjected that there was a motion on the table. Commissioner Skrepenak stated that his comments had everything to do with the motion because they are about the fiscal plan. Commissioner Petrilla responded that they were talking about applying for a grant. Commissioner Skrepenak responded that Mr. Pape thought it was appropriate to talk about the last plan being a door stop and he was disputing that. He stated that Commissioner Petrilla did not stop Mr. Pape from stating it was a door stop so he as a commissioner, an elected official, can talk about it. Commissioner Skrepenak commented that no one talks about Valley Crest and the money that was saved. He stated that the county saved \$20 million dollars in juvenile placements. He stated that the number of employees was 2200 when he took office in 2004 and now is between 1700-1800 employees. He commented that strides were made in that particular plan. Commissioner Skrepenak stated that the plan boiled down to two things, continue layoffs through attrition and raise taxes. Commissioner Skrepenak questioned if taxes had been raised in the last four years or have they gone to the courts for a tax increase. He questioned whether they prefer the commissioners find a way to refinance or would they prefer that taxes to go up. He stated if that was put on the ballot he knew who would win. Commissioner Skrepenak stated that he understood their fiduciary responsibility but they also have a responsibility to deliver service and that service should be quality service because the people of the county deserve it. He stated that they have made tremendous strides over the last four years and he resented the fact that Mr. Pape called it a door step. Mr. Pape responded that they were not his words they were from DCED. Commissioner Skrepenak stated that Mr. Pape was walking a fine line and that he was his employee. Mr. Pape responded that the people should know about this. Commissioner Skrepenak responded that the people should know the truth.

It was moved by Commissioner Urban, seconded by Commissioner Petrilla
"AYES" PETRILLA, SKREPENAK, URBAN

Commissioner Urban commented that he reviewed the prison report and saw no increase in the number of crimes for the last three years, however there was an increase in inmates in the jail. He stated that the length of stays in the jail have gone up 15% and he felt a lot had to do with the management of people going in and out of the facility. He stated that he saw 113 inmates that he believed belong in the state system not the county system which would attribute to \$45 million dollars a year for the prison population.

Commissioner Urban stated that no one was talking about cutting services to 911 or mental health services. He stated that they are funded by the state and not the general fund.

Commissioner Urban question Mr. Pribula what percent of the budget was personnel. Mr. Pribula responded 175%.

Commissioner Urban stated that he didn't see how the county can get by and reduce dollars without reducing the personnel. He stated that he agreed with Mr. Griffith in regard to the county ordering paper or filing cabinets. Commissioner Urban stated that the county put out an RFP for these items so they can be available when needed. He stated that all departments have been told to not buy essential items. He

stated if layoffs were put off this year they will only be bigger next year and may be permanent. He stated that the commissioners have a responsibility to balance the budget with real numbers. Commissioner Urban stated that the Row Offices are bringing in revenue however there are county departments that don't have revenue streams. He stated that they had no other resource than to balance the budget collectively by using all sources of revenue and expenses to make sure those essential services go on.

Bob Reilly stated that the challenge for the commissioners is to find other ways to run their end of the government. He stated that new ideas were needed, and more needed to be done to bring in revenues. He stated as Row Officers they were limited as to what they can do. He stated that every year at budget time they are asked to cut back people and expenses. He stated after doing that for so many years they were at the end and he didn't know how much more they can give. Commissioner Urban responded that when a budget is balanced with real budget revenues, Mr. Reilly interrupted Commissioner Urban by stating any increase in their budget over the years has been from benefits and salaries. He stated if you looked back at their expenses running our offices you would find none of us really raised more money or increased those line items over the last six years despite inflation. He stated that they stayed steady and that they couldn't control the cost of taxes, benefits, or salaries. He stated that was negotiated by the Commissioners. Commissioner Urban responded that legislation put controls on them to make sure the people of this county are dealt with fairly when it comes to taxes. Mr. Reilly responded that it was their responsibility to make sure their offices provide the services that they are statutorily required to do as elected officials and that was a line they couldn't cross. He stated that it was his responsibility to make sure the functions in his office are not jeopardized in any way.

MOTION TO ADJOURN

It was moved by Commissioner Urban, seconded by Commissioner Skrepenak
“AYES” PETRILLA, SKREPENAK, URBAN

Respectively submitted,



Jennifer Thomas, Recording Secretary