

**FEBRUARY 12, 2010**

On the above date at 10:00 A.M., the Luzerne County Board of Commissioners convened a special meeting with the following present: Maryanne Petrilla, Chairman; Thomas P. Cooney, Commissioner; Stephen Urban, Commissioner; Douglas Pape, Chief Clerk/County Manager; Vito DeLuca, County Solicitor; Tom Pribula, Chief of Budget and Finance; Michael Morreale, Treasurer; Walter Griffith, Controller, Joseph DeVizia, Human Services; Andrew Reilly, Office of Community Development; Frank Pugliese, Jr., Director of Purchasing; Adrian Merolli, Planning Commission; Randi Audi-Davis, Human Resources Director.

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

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

None

**RECOGNITIONS:.....Maryanne C. Petrilla**

None

**PUBLIC COMMENT:**

**FRED DAVIS**

I have never been to a meeting like this before but with all the things going on in the county, it seems that the last year every day there was something in the paper about corruption and I decided to come and take part and listen to what people have to say. The one thing I have to say is I am disappointed with the Moon Lake closing. I would go there with my family. It is one of the nicest places in Luzerne County. Actually, I think the county should invest in Moon Lake and try to bring more people in, instead of closing it down. That’s all I have to say. Thank you.

**JOHN NEUMAN**

Good morning and thank you for the opportunity to come before you. I had the opportunity to go under the numbers. My thanks to Commissioner Urban and Commissioner Cooney for supplying me with information. I appreciate it. I did not have to go through a long, drawn out process to get the information. In reviewing the numbers, I had the opportunity to go under the numbers; underneath the published numbers I have found that revenue is impacted by Keystone Opportunity Zones (KOZ’S). I don’t expect that you are going to change your minds, but I do want to point some things out for the folks. KOZ’s, \$340.8 Million; LERTA’s, \$11.7 Million; Abatements \$714.9 Million---that is money that the County is not collecting on valuable property in the County. That adds up to \$524 Million. Could the County use this money? I think we can all agree that the County can use it. I will be fair in saying that some of this you inherited, but again as I said at the last meeting, please do not extend any KOZ’s beyond 10 years. That \$341 Million that is on the 9<sup>th</sup> or 10<sup>th</sup> year or whatever, please, please do not extend them. Same goes with the LERTA’s. I’m not sure that I completely understand them, but I believe it is a tax on the land with the improvements waved or vice versa. But again...the abatements \$750 Million--- I am going to make an assumption that due to appeals that have been filed but are not finalized, and your anticipating another revenue loss of \$715 Million. I also noticed in this morning’s newspaper that one prominent member of the community received a tax assessment reduction of \$137, 000 on property that is very similar to my property and I did not get a \$137, 000 reduction. Well anyway, another real concerning situation is uncollected taxes---uncollected taxes. As of December 31 from your information, \$22.5 Million has not been collected. 13.2% people in this county are not paying their taxes. Where is it? What are we doing about it? Why isn’t it

collected? Tax Collectors are not making payments to the County on time. Are they tardy? When is their end of year money due? When does a Tax Collector have to get their money into the County? And some of these municipalities pay their taxes right here---right here in this Court House. This is a concern especially when 86.8% of the people pay their taxes either by rebate, face, or by the end of the penalty period. It is not fair to these people who pay their taxes. You have to do something about it. And if I may, I would like to throw some numbers out...these are the municipalities---

14% at \$47,000  
13% at \$36,000  
13% at \$87,000  
13% at \$54,000  
14% at \$150,000  
16% at \$441,000  
27% at \$1.6 Million

There is a municipality in this County who has not collected \$1.6 Million; 29% of the revenue.

23% at \$135,000  
29% (small municipality) \$3,500  
31% at \$504,000  
299% at \$196,000

And it goes on and on and on...I'm asking what are we going to do about it? In the spirit of fairness to the people who pay their taxes....What are we doing about those who are not paying?

Next point...Tax Base at \$19 Billion. You're taxing at the rate of 5.215 mills. That equals over \$99 Million at 88.6% collection rate or \$86 Million. Yet the revenue budget says we are going to collect \$85.3 Million. When you take the \$85 Million that's in the latest budget it breaks down to 5.15 mills or 1.2% less than what you are taxing us at. It's a point that has to be looked at. The folks need to know that. I'm going to make a criticism---we have 2 newspapers in this town who rubberstamps everything. Where is the investigation? Bottom line revenue---\$124 Billion or \$2.67 Million over your last budget of December 30<sup>th</sup>. You have increased tax collection revenue by \$3.7 Billion. Where is the million dollar difference? When I look at other revenue some of it has been adjusted, but the largest decrease from 12/30/09 to January 28<sup>th</sup> is a reduction of \$2 Million on your cash balance carried over and we've reduced that \$8.6 Million to \$2 Million. Why such a drop in 30 days? What happened to that \$2 Million? There's got to be an answer to it.

### **COMMISSIONER PETRILLA**

Sir, we can give you an answer.

### **NEUMAN**

May I finish two more points? I would like an answer. I looked a little bit at expenses. I can see that we are projecting expenses a little over \$33,000 (not a lot of money) for Moon Lake. We are projecting \$12,000 (not a lot of money) for recreation. I am under the impression that Moon Lake was to cost us nothing this year. Maybe it's closing down costs...whatever. I would like an answer to that. Tax Claim was budgeted at \$180,000 in December. It is now up to \$402,000 an increase of \$202,000. What is the status of the contract that is to take the place of Tax Claim? Suggestions... you need to find out where the \$11.5 Million is and I know that there are many foreclosures out there...properties up for sale; and people in foreclosure do not pay taxes. I understand that. But \$11.5 Million, come on, there is something wrong especially when one municipality has \$1.5 Million in uncollected taxes. Another suggestion for next year---consider reducing the rebate from 2% to 1%. If it were this year, that would cut the rebate from \$1.2 Million to a little over \$600,000. Rebates are nice---I take advantage of them, but having the choice of a rebate or smaller mileages, I would take smaller mileages. Next suggestion...increase the penalty from 10% to 15%. If that were this year, that would increase the penalty by approximately \$540,000. So these are just a few suggestions---the uncollected revenue has to be investigated and followed up---someone has to find out where it is...Thank you.

## **TOM PRIBULA**

I can meet with you to go over in greater detail the numbers...but as far as the cash balance carry over...because of the delay in the budget process which should have been closed out by the end of the year...and reviewing it, it is not a true cash balance. It is actually a receivable which is put on from our Children & Youth services. So we are fine tuning our numbers and moving it forward because it was delayed for a month and a half. We are fine tuning the budget and I do agree with a lot of what you are saying, but when I came here a little over 2 years ago, they were always scrambling at the end of the year for unfunded debt. 2009 was probably the first budget that was delivered in a long time. This year and going forward, it's difficult to get your arms around the real big numbers like real estate taxes. So when I budget for real estate taxes, I took the trend and when we increased taxes by a %, I increased the collections by that %. Because when you try to back into the numbers from the base forward in addition to the LERTA's, KOZ's then you start running into TIFS which are refunded at the end of the year. Then you get the rebate as a reduction in gross, so there are a lot of factors that were included in those numbers. And again, if you want to get together, I can share with you in greater detail and you will actually see that between 07 and 08, our collections dropped. And you can see the trend going up and the same thing with the collections. We have to incentivize our collections. What we have done in the past couple of years---that outstanding balance, although it is owned to the County, we have been monetizing the outstanding real estate tax balance. So for the last three years, we've actually had cash infusion of approximately \$5 Million. You will also see that this is budgeted for 2010 basically selling our receivables at a 90% ratio. Is this the best thing to do? No, I don't think so, but it provides cash infusion into the cash flow until we get those problems worked out. It's a combination of current rates and a better way of doing delinquent taxes. In the PFM report that was done, our collection ratio does lag behind and we do need to get to the bottom of that because it is a large chunk of money both on a curve basis and on a delinquent basis. So we do need the current collection plus the delinquent. What I am used to in a corporate environment is, we always benchmarked against like companies who do a better job. Counties should benchmark against other Counties who do a better job in real estate collections and how they run different departments. And going forward, we should benchmark Departments and Collections and everything against Best Practices to make sure we are doing the right thing.

## **NEUMAN**

There are some things that can be done---it's a little bit of work, but if you can back around foreclosures and back around the properties that are for sale and see what the real number is, you can find out what taxes is not being collected. Make that a County goal...86% collected to 92% collected. Make that a goal.

## **PRIBULA**

When I first inquired about the collection rate, I had a difficult time getting a breakdown by municipalities.

## **NEUMAN**

I would ask you one more question...Has any of your last year's surplus money gone to pay this years fixed expenses? Have you had to use last year's surplus money for this years expense?

## **PRIBULA**

Theoretically, there wasn't a whole lot of surplus because of the delay of the budget. What we did was to accrue the annual retirement contribution at the end of last year. It's not cash in the bank but receivables especially from Children & Youth. There wasn't a whole lot of excess cash.

## **NEUMAN**

Thank you for your time and hopefully you will follow up with some of the suggestions because it is in the best interests of the county. Thank you.

## **ROBERT JOYCE**

Good morning. Let me start out by saying that I know you have a very difficult job. However, I decided I had to come here and speak. Every day over the past year, I pick up the newspaper and become more and more disgusted about the accountability of county officials at a time when people are working two jobs and sometimes three jobs to pay their taxes. Unemployment is at an all time high and sadly to report, I fell into the ranks of the unemployed several days after I purchased a home in this County. There will be foreclosures in the county. If you can't collect taxes now, how are you going to do it with a 15% increase? It just doesn't make any sense. Why should the taxpayers of this county continue to reward irresponsibility? Does anyone have an answer? We have a Controller now who is finally doing what the job of a Controller is to be...the financial watchdog for the county. For too many years the people in this county have sat back and have been afraid to speak up. It's time as official that you speak up and do what is right for the people. This is the wrong time for a tax increase. Thank you.

## **ED WARKEVICZ**

I did a little research on a company called LRW, which is a records management consulting firm. 2005 was the signed contract. Has there been another contract signed since then? Has anyone gone down to Wayne PA to check out the office that these people have?

## **COMMISSIONER PETRILLA**

I believe that the Chairman of that Committee, who is not here, has been down there.

## **WARKEVICZ**

Well, we went down there and what it is is a building with a mailing address. There is no office. These people pick up their mail there. They are charging the County for mileage, tolls, meals and \$1050/day for consulting fees. I believe this is something that should be looked into. My next research was insurance in this County. You paid \$30,000 to an agency in Factoryville to consult on insurance and then this agency goes to an agency in the Valley who heavily contributes to political candidates. And we have to pay \$.60/mile when if the County had Prius' to drive, they would save the County much money. That is all I have to say.

## **FRED MURRAY**

I live in Jackson Township. There is an article in the Times Leader today about natural gas drilling. I have a lease on my property. I was excited when I found out they were going to start drilling in NEPA. For someone who has traveled all over this nation for thirty five years as a airline pilot, I saw what took place in Colorado and Wyoming. We have 100 million acres of coal right here in this valley. Everything I have read in the papers and the meetings I have attended, I have never heard the cynicism by a group of people against this gas drilling. They did lose some water in Dimmick but it's only a temporary thing. We are nicked and dimed with the taxes in this county but we have revenue out there that can just about shut it down. Let me name some names. Dana Industries, Technaglass, Topps Chewing Gum, US Air, Mac Trucks. People are being nicked and dimed because of the thousands of jobs they have kicked out of this county. I spent four hours with a company watching the drill work. They hit gas at 12,000 feet. I can show you two farm houses that have leases and are now absolutely gorgeous. That money went into the ripple effect. Yet we have an attitude here that they don't want gas drilling because it will pollute the water. The river out there is a septic tank. Someone has to get some guts and do something.

## **COMMISSIONER URBAN**

We are supportive of responsible drilling in this county. The county is trying to get a lease. We are not here to chase anyone away.

## **MURRAY**

I watched a program on WVIA and no one in the audience had a good thing to say. Maybe the gas companies should go back Texas and Colorado and then the people may get the message.

**ANN MARIE PALMIERI**

I would like to make a comment on what was just mentioned. He said that he was from New York. New York does not allow gas drilling because they consider water a more important resource than gas. So you are complaining about Pennsylvania, who is opening its arms to the gas drillers, to pollute our air and water. You should go back to New York.

This is the first commissioners meeting I have ever attended. Due to the recent decisions to raise taxes and close Moon Lake I've felt compelled to attend and voice my thoughts. Every day I read about Luzerne County Government corruption, and the mismanagement and misspending. We the taxpayers are not responsible for what has taken place for decades or for the financial situation here. But once again the burden has been placed on us. I am just here to say that I have no more to give.

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

**MOTION**

**2010 Tax Millage**

Request a motion to accept **RESOLUTION 021210A** that there will be a tax levied on all real estate property and for the general County purpose, including the payment of interest and principal of the funded debt, in the total amount of 5.2150 mills.

It was moved by Commissioner Cooney, seconded by Commissioner Petrilla  
**“AYES” PETRILLA, COONEY “NAY” URBAN**

**RESOLUTION**

**NO. 021210A**

**BE IT RESOLVED AND ENACTED**, that the tax levy for the year 2010 for Luzerne County to raise and provide the funds set forth in the said budget be and it is hereby fixed at 5.2150 mills, as the assessed valuation of taxable property in Luzerne County to provide for general and sinking funds purposes.

**CERTIFICATION**

This is to certify that the foregoing Resolution was duly adopted by the Board of Commissioners of the County of Luzerne on the 12th day of February, 2010.

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Douglas A. Pape  
County Manager / Chief Clerk

**MOTION**

**2010 Amended General Fund Budget/Resolution**

Request a Motion to approve the 2010 Amended General Fund Budget.

Commissioner Cooney stated the following: A family member and I are associated with A+E Group, which is completing some design services for the College, Housing Authority, and Road & Bridge. As such, at this time I am **Abstaining** from voting on this issue.

It was moved by Commissioner Petrilla, seconded by Commissioner Cooney  
**“AYES” PETRILLA, “NAY” URBAN “ABSTAIN” COONEY**

Solicitor DeLuca stated that Commissioner Cooney had announced his abstention and his reasons for abstaining. Under the Ethics Act if a vote is a yes and a no the abstention can break the tie. Under Section 1103 under the ethics act Commissioner Cooney voted yes to break the tie.

It was moved by Commissioner Petrilla, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY “NAY” URBAN**

**RESOLUTION**

**NO. 021210B**

**WHEREAS**, there was presented to the Board of Commissioners of the County of Luzerne on January 29, 2010, a proposed amended budget for the year 2010; and

**WHEREAS**, said proposed amended budget was made available for public inspection as required by law, and public notice was given as required by law; and

**WHEREAS**, the Board of Commissioners has given mature consideration to said proposed amended budget and has recommended the adoption of an amended budget of \$127,491,959 as now proposed; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Budget for Luzerne County for the year 2010, as proposed, be and it is hereby adopted; and

**BE IT FURTHER RESOLVED AND ENACTED**, that for the expenses of Luzerne County appropriated from the revenue available from the year for the specific purposes set forth below, which amounts are more totally itemized in the County Budget Form on file in the Office of the Luzerne County Commissioners, Hazleton Courthouse Annex, and the Luzerne County Law Library.

*OPERATION FUNDS SUMMARY – Estimated Receipts*

Cash and Securities for Appropriation	\$ 6,581,005
Receipts from Tax Levy	92,985,182
Intergovernmental Revenues	5,198,664
Fines and Forfeits	105,000
Charges for Services	11,487,500
Other Financing Sources	11,134,608
<u>Total Available for Appropriation</u>	\$ 127,491,959
Operations and Maintenance	\$ 105,769,056
Debt Service	21,722,903
<u>Total Estimated Expenditures</u>	\$ 127,491,959



**CERTIFICATION**

This is to certify that the foregoing Resolution was duly adopted by the Board of Commissioners of the County of Luzerne on the 12th day of February, 2010.

\_\_\_\_\_  
Douglas A. Pape  
County Manager / Chief Clerk

MOTION

**PFM Asset Management LLC (“PFMAM”) - Swap Valuation Services County of Luzerne**

Request a Motion to appoint PFM Asset Management LLC (“PFMAM”) to provide Swap Valuation Services to the County of Luzerne for a fee of \$3,500 for the period January 1, 2010 through December 31, 2010.

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

MOTION

**Tax Refund-Assessment Appeals Office – Amend William P. Saras**

Request a Motion to amend the refund of paid Real Property taxes of William P. Saras. Pin# 58-R6-00A-40D/Plate# 14-4-20-1 from \$2,156.39 as presented to \$1,543.84. The amount of refund was misstated at the January 20, 2010 Commissioner’s Meeting. Refund is due to this improvement being unoccupied, it will be taxed after 30 months. (Starting 1/10)

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

MOTION

**Tax Refund-Assessment Appeals Office – Roinick**

Request a Motion to approve the following refund through the Assessment Appeals Office:

Name: Roinick, Clarence & Dorothy Gene  
Address: 48 Rocky Ridge Lane, Nescopeck  
Property Location: 48 Rocky Ridge Road  
Amount Due: \$48.44  
Reason for Refund: Correction of acreage.

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

MOTION

**Tax Refund-Assessment Appeals Office – Williams**

Request a Motion to approve the following refund through the Assessment Appeals Office:

Name: William J & Irene Williams  
Address: 146 Mill Street  
Pittston, Pa. 18640-2614

Property Location: 140 Mill Street  
Amount Due: \$39.86

Reason for Refund: Change in acreage

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

MOTION

**Tax Refund-Assessment Appeals Office - Court Mediation**

Request a Motion to approve the following refunds due to court mediation process in the total amount of \$ 17,496.64.

Commissioner Urban questioned if these refunds were from court orders. Tony Alu responded yes.

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

MOTION

**Communications Network Equipment Maintenance**

Request a Motion of the Luzerne County Board of Commissioners to authorize the proper officials to execute a contract with Lightspeed Technologies of Wilkes-Barre for a one (1) year maintenance agreement for the various Cisco network communications devices that are used throughout the County’s computer network. The proposal submitted by Lightspeed Technologies in the amount of \$19,432.80 was the only proposal received in response to the advertised RFP.

It was moved by Commissioner Urban, seconded by Commissioner Cooney  
**“AYES” PETRILLA, COONEY, URBAN**

Commissioner Petrilla thanked Tom Pribula, Joan Pusateri, and Doug Pape for all the hard work they put into the annual budget.

**MOTION TO ADJOURN:**

It was moved by Commissioner Cooney, seconded by Commissioner Urban  
“AYES” PETRILLA, COONEY, URBAN

*Respectfully submitted,*

A handwritten signature in cursive script that reads "Jennifer Thomas". The signature is written in black ink and is positioned above the printed name.

*Jennifer Thomas, Recording Secretary*