A regular meeting of the Northampton County Council was held on the above date with the following present: Ron Angle, President; John Cusick, Vice President; Thomas H. Dietrich; J. Michael Dowd; Margaret L. Ferraro; Bruce A. Gilbert; Lamont G. McClure, Jr.; Barbara A. Thierry; Philip D. Lauer, Solicitor to Council, and Frank E. Flisser, Clerk to Council. Absent was Ann McHale.

Prayer

The Reverend Canon Andre Gerns, Trinity Episcopal Church, Easton, led County Council in prayer to open the meeting.

Pledge of Allegiance

Al Jordan led County Council in the pledge of allegiance.

Approval of the Minutes

Mrs. Thierry made the following motion:

Be It Moved By the Northampton County Council that the minutes of the October 12, 2010 and October 21, 2010 meetings shall be approved.

Mr. Gilbert seconded the motion.

The minutes were approved by voice acclamation, with Mr. Dowd abstaining on the October 12, 2010 meeting and Mrs. Ferraro abstaining on both meetings.

Courtesy of the Floor

Mr. David Rose, 212 Porter Street, Easton, PA - stated he was present to protest the characterization of him in the newspaper by District Attorney John Morganelli as an anti-law enforcement activist. He further stated Mr. Morganelli’s public defamation of his character was made in response to a letter he
Mr. Rose advised he valued his reputation in the community as a law-abiding citizen and supporter of law enforcement. He further advised he worked for more than 30 years in the field of corrections and was the Summers Night Coordinator for the Weed and Seed Program in Easton. He noted he was involved in numerous community groups and volunteered at the Northampton County Prison.

Mr. Rose stated he hoped the members of County Council were appalled as he was that a public employee would use his taxpayer-funded position to make such comments about law abiding private citizens in an attempt to coward them from exercising their right to speak out on a matter of public policy.

Mr. Rose advised if County Council was not going to question the District Attorney about using taxpayer money to chase after the death penalty, he hoped they would at least investigate the use of public money to engage in public defamations of private citizens in a public forum.

Mr. Angle stated the District Attorney was elected by the taxpayers and did not answer to County Council.

Ms. Peg Dalessandro, Washington Township, PA - advised she was a member of the Coalition for Alzheimer’s Families and was present to address the issue that they were not informing the individuals they were asking to sign their petitions of the potential for a tax increase. She further advised that was not true, but for the sake of argument, they did not have to say anything because the possibility of a 20% tax increase had been expressed many times by some members of County Council and the County Executive. She noted this should have been carried a step further by advising the public what a 20% tax increase would actually mean in millage and dollars and cents on an average assessment.

Ms. Dalessandro stated at the public meeting last night
someone asked a question as to how much it cost in tax dollars for the attorney to prepare and deliver his presentation, including mileage, but no one answered it.

Ms. Nancy Kutz, 160 Spring Street, Easton, PA – advised she asked Mr. Angle, at the last meeting, when an individual had an issue with a member of County Council whom should she talk to about it and he replied she should go to that member. She further advised after the meeting, she went to him and he outright refused to speak to her and she wanted to know why.

Mr. Angle stated he chose not to speak to her as he did not represent her.

Ms. Kutz advised two weeks ago, County Council approved the spending of $300,000 for a law firm to represent Gracedale and she wanted to know where was the justification for that expenditure.

Mr. Angle stated they wanted to make sure, in writing, that when Gracedale was sold that the patients would be well cared for, the County received the best price they could and to make sure everything was done legally.

Mr. McClure advised he wanted to clarify that he did not vote to hire the law firm.

Mr. Chris Miller, 983 Bushkill Center Road, Nazareth, PA – stated the United States debt as of today was $54 trillion, which broke down to $176,000 per citizen and its unfunded liabilities stood at $111 trillion, which was a debt to every taxpayer of $1 million. He further stated Pennsylvania’s debt was $144 billion, which broke down to $11,503 per citizen, noting there was 1.5 million people on food stamps.

Mr. Miller advised that every County and municipal governments and school districts had to make decisions based on the debt of the Federal and State governments. He further advised that was why he agreed the County had to sell Gracedale, but he would also like to see the County stop spending money on open space.

Ms. Emma Cleveland, 1125 North 19th Street, Lehigh County, PA – stated that she worked for the American Civil Liberties Union (ACLU) of Pennsylvania located in Allentown and they were
concerned about some issues going on in Northampton County. She further stated she was a community organizer for the Immigrants Rights Project and Upper Mount Bethel Township was one of the areas she covered. She noted the ACLU was concerned about the proposal for a privatized immigrant detention center.

Mr. Angle advised he wanted to make it clear that County Council only approved for Northampton County to put in the paperwork with Immigrant and Customs Enforcement (ICE) to allow a municipality, if they wanted one, to build such a facility. He further advised most of the other Counties in Pennsylvania already had such an agreement with ICE. He added Northampton County had no say whatsoever as to whether the detention center would go in Upper Mount Bethel Township because that was the job of its supervisors to decide.

Ms. Cleveland stated the reason the ACLU was in opposition to this detention center was because they were concerned about a large amount of civil rights abuses.

In response to Mr. Angle’s question as to whether they were opposed to this one in particular or all such detention centers, Ms. Cleveland advised they were opposed to any privately run immigrant detention center. She further advised the Constitution stated that all people had the right to due process, which they felt might not happen. She noted they were also opposed to this proposal because there were very few immigration lawyers in the area and these facilities were not able to be accessed through the Freedom of Information Act or Right to Know Law.

In answer to Mr. McClure’s question as to what she knew about GEO and some of the things that occurred in their facilities, Ms. Cleveland stated that a Federal Appeals Court upheld a decision that forced GEO to pay $4.2 million because some of their prisoners had beaten another prisoner to death while the staff looked on and did nothing. She further stated an inmate committed suicide after being returned to a GEO facility following an escape and was held in solitary confinement in some really horrible conditions. She noted GEO did not have a good track record.

Ms. Dawn Liberto, 1644 Walnut Street - advised she was a school nurse and community member. She further advised she was not here on behalf of any organization, but as someone who had very basic knowledge of human rights abuses that came about in
privatized detention centers.

Public Hearing on the Proposed 2011 Real Estate Tax Millage Rate Ordinance

The following ordinance was introduced by Ms. Thierry and Mr. Dowd at the September 21, 2010 County Council meeting:

AN ORDINANCE PROVIDING FOR THE REAL ESTATE TAX MILLAGE RATE IN THE COUNTY OF NORTHAMPTON FOR THE YEAR 2011

IT IS HEREBY ORDAINED AND ENACTED, that the millage rate for real estate tax purposes for the year 2011 shall be set at 10.8 mills on every dollar of assessed valuation of taxable real estate or $1.08 on every $100.00 of assessed valuation.

Public Hearing

Mr. Angle asked if there was anyone from the public who wished to comment on this ordinance. There were no respondents.

Mr. Angle asked if there were any questions or comments from the members of County Council. There were no respondents.

Public Hearing on the Proposed 2011 Northampton County Budget

Mr. Angle asked if there was anyone from the public who wished to comment on the Proposed 2011 Northampton County Budget. There were no respondents.

Mr. Angle asked if any member of County Council had any questions or comments.

Mrs. Ferraro stated Northampton County was supposed to take care of its people, however, this budget was putting people out of work, many from the Department of Human Services, which was one of the County’s core functions, and beginning down the pathway for taking Gracedale out of the County’s control. She further stated it had been said that controls could be put in place as a condition for the sale of Gracedale, but if they did
not happen, the only recourse would be for the County to go to Court.

Mrs. Ferraro suggested a .5 mil tax increase even with the country’s financial situation and the mood of the nation against big government. She further advised she felt people were against the bank bail outs and the money spent on stimulus packages that have not produced anything.

Mrs. Ferraro remarked Northampton County was a frugal government and cutting it to the point it was now was beyond reason. She further remarked she felt a reasonable budget now and again required a small tax increase.

Mr. Cusick advised if the County planned to continue operating Gracedale in the manner it currently was at a $6-7 million loss a year, then a tax increase was the right thing. He further advised he was not against keeping Gracedale, but he would like to see it run with little or no County contribution. However, the only way this budget would work would be to sell or lease Gracedale.

Mr. Cusick stated he had campaigned that he would keep open space, but since there were no environmentally sensitive lands on the table at this time, he would be willing to cut that part. He further stated the County made a commitment to its municipalities to fund capital projects that they had already begun so he had a hard time cutting that part out so he would like to keep the municipal parks and farmland preservation in the budget.

Mrs. Ferraro advised Gracedale did lose $6 million this year, but with the cooperation of the employees and the correct management, she believed it could once again be a money maker.

Mr. McClure stated he understood the concerns about the losses and operation at Gracedale, but it must be remembered that in 2005, Gracedale gave the County $500,000; in 2006, it gave $2.56 million; in 2007, it gave $5.42 million and 2008, it gave $950,000. Therefore, he did not feel that Gracedale should be considered a losing proposition. He further stated two thirds of the County’s contributions for 2010 and 2011 were pension fund contributions.
Mr. Dertinger advised the $6 million deficit was in operating costs, but there was $1.1 million in the 2010 budget for capital improvements that were never done so there was actually a $7.1 million deficit. He further advised there was $4.7 million in repairs and improvements scheduled for 2012, which was before any operating costs.

Mr. Gilbert stated he was not so much concerned about how the County got to where it was because this is where it was and something had to be done. He further stated if County Council did not look forward in a fiscally strengthening manner then the situation would only get worse as time went on. He noted if County Council did not make the tough decision now with regard to Gracedale then it may get tougher in times to come and may be more costly in the end.

Mr. Dowd advised it has been proven historically that the County was not a good steward of its buildings. He further advised Gracedale was not competitive in the market today because it was under capacity and some people have said that could change, but for ten years the issue had not been addressed successfully. He noted he did not see what County Council could do that would change the economics of the situation.

Mr. McClure stated if the County tried to make the changes that were outlined in the consultant’s report, it would bring in $2.5 million a year. He further stated he would like to give Gracedale five years to change the management, fill the beds and make the improvements and then if the situation did not change, he may not be opposed to a sale.

Mr. McClure advised he was also concerned about going forward and not having the money Gracedale gave to the County to bail its budgets out. In conclusion, he suggested putting the sale of Gracedale on hold for five years.

In response to Mr. Gilbert’s question as to whether Gracedale had made money or lost money over the past 20 years, Mr. John Stoffa, County Executive, stated over the last 23 years, it had lost $3 million.

In answer to Mr. Dietrich’s question as to whether that included 2010, Mr. Stoffa advised it included what was intended for 2010.
Mr. McClure stated it also included the 2011 budget prediction, noting the 2010 budget prediction was about $3 million heavy.

When Mr. McClure was asked to report what the figures were for the last three years, he advised budget year 2010 was $7,886,153, but that was actually only going to be approximately $5 million and 2011 was predicting $6,067,100.

In response to Mr. Stoffa’s question as to what the loss was three years ago, Mr. McClure stated in 2008, Gracedale gave the County $953,000. He further stated between 2005 and 2008, Gracedale made money.

In answer to Mr. Dietrich’s question as to whether major improvements or repairs were done during those years that Gracedale “made money”, Mr. Stoffa advised some things were done, but some things were not.

Mr. Angle stated he believed Mr. Dietrich’s question was if you were to factor in all the improvements that should have been done over the last 20 years would Gracedale show a greater loss and Mr. Stoffa replied he believed so.

Public Hearing on the Proposed 2011 Northampton County Capital Improvements Plan

Mr. Angle asked if there was anyone from the public who wished to comment on the Proposed 2011 Northampton County Capital Improvements Plan. There were no respondents.

Mr. Angle asked if there was any member of County Council who had a question or comment.

Mr. Dietrich advised if the County was anticipating funding Gracedale for six months, it should also be maintained and properly repaired during that time period.

Consideration of the 2011 Northampton County Budget – Consideration of Budgetary/Position Related Issues

Unfunded Full-Time Vacant Positions
Mr. Angle introduced the following resolution:

**R. 102-2010 WHEREAS,** the Administration has prepared and submitted to County Council a listing (a copy is attached hereto and labeled as Exhibit “A”) of Unfunded Full-Time Vacant Positions in the 2011 budget.

**RESOLVED,** by the Northampton County Council that the unfunded full-time vacant positions listed on Exhibit “A” shall be abolished effective December 31, 2010.

In response to Mr. Dietrich’s question as to what he felt, Mr. Stoffa replied it was a comprised budget and they were taking losses just like everyone else.

As there were no further questions or comments, Mr. Angle called for the vote.


The resolution was adopted by a vote of 8-0.

**Unfunded Full-Time Occupied Positions**

Mr. Angle introduced the following resolution:

**R. 103-2010 WHEREAS,** the Administration has prepared and submitted to County Council a listing (a copy is attached hereto and labeled as Exhibit “A”) of Unfunded Full-Time Occupied Positions in the 2011 budget.

**WHEREAS,** the positions were not funded in the proposed 2011 budget prepared and submitted by the County Executive. Most, or all, of the positions are currently occupied and the personnel bumping process is ongoing.

**RESOLVED,** by the Northampton County Council that once the bumping process is completed, it will consider a resolution abolishing the positions listed on Exhibit “A”.


Mr. Dietrich stated there was bumping and bidding rights going on this year and asked what would happen to the people who got bumped.

Mr. Stoffa advised if anyone was laid off, they could be eligible for unemployment compensation.

Mr. Ross Marcus, Director of Human Services, stated he did not anticipate any layoffs in his department as there were enough available positions to absorb those individuals.

As there were no further questions or comments, Mr. Angle called for the vote.


The resolution was adopted by a vote of 6-2.

Funded Full-Time Occupied Positions

Mr. Angle introduced the following resolution:

R. 104-2010 WHEREAS, the Administration has prepared and submitted to County Council a listing (a copy is attached hereto and labeled as Exhibit “A”) of Funded Full-Time Occupied Positions in the 2011 budget.

WHEREAS, the positions listed on this sheet correspond to some of the budget revisions contained on the “2011 Proposed Budget, Schedule of Budget Revisions” (a copy is attached hereto and labeled as Exhibit “B”).

RESOLVED, by the Northampton County Council that if the positions listed on Exhibit “A” become vacant due to action taken by the County Executive, County Council will consider a resolution abolishing the then vacant positions.

Mrs. Ferraro advised as these individuals would be losing their jobs, she made a motion to fund these positions for the first quarter of 2011.
Mr. McClure seconded the motion for purposes of debate.

Mr. Cusick stated he had a problem with funding a position for three months.

In answer to Mr. Angle’s question as to his thoughts about funding the positions for three additional months, Mr. Stoffa stated these individuals were already informed they were losing their jobs so it would just prolong it.

As there were no further questions or comments, Mr. Angle called for the vote on the motion to fund these positions for an additional three months.


The motion failed by a vote of 2-6.

Mr. Angle asked if there were any questions or comments regarding the Real Estate Assessor III position in the Assessment Division. There were no respondents.

Mr. Angle asked if there were any questions or comments regarding the Clerical Technician III position in the Recorder of Deeds Office. There were no respondents.

Mr. Angle asked if there were any questions regarding the Sheriff’s Lieutenant position in the Sheriff’s Office.

In response to Mr. Cusick’s question as to how the loss of this position would impact his ability to perform his duties, Sheriff Randall Miller advised this would represent a loss of one third of their management team, which was significant, noting the upper echelon did other duties beside just management.

Mr. Cusick made a motion that this position be removed from the list.

Mr. McClure seconded the motion.
As there were no further questions or comments, Mr. Angle called for the vote on the motion.


The motion failed by a vote of 2-6.

Mr. Angle asked if there were any questions or comments regarding the position of Director of Court Services.

Mr. Cusick made a motion to remove this position from the list because there had previously been some issues with that division and it was not running smoothly.

Mr. McClure read a letter that County Council received today:

“Dear Mr. Stoffa and Members of Northampton County Council:

I am writing regarding the potential elimination of the Director of Court Services position. This position has been instrumental in avoiding incidents of fraud and waste which the County has, unfortunately, suffered several times in the past.

In 2007 the Criminal Division faced numerous challenges after tirelessly with this Division to set in place internal controls and numerous policies and procedures that would drastically reduce the possibility of a similar incident.

This position has been a great success for the Court Service Divisions, but if it is eliminated many of these crucial safeguards will be eliminated as well. It is my concern that, under these circumstances, the County will again face an unacceptable level of risk.

This is especially true given the number of transactions and the large amount of the transactions that are processed by this Division. For example, only yesterday the Orphans and Wills Division processed a check in excess of $1,000,000.00.”
I believe that the risks of not providing this minimal level of oversight in such a busy Division should be considered when you make your decision related to this position.

Feel free to contact me regarding any questions you have as to our past audits and/or the role this position plays in maintaining effective internal controls in this Department.

Sincerely,
/s/ Stephen J. Barron, Jr.
Stephen J. Barron, Jr.
Northampton County Controller

In answer to Mrs. Thierry’s question as to whether someone else could do this job, Mr. Stoffa stated they would have to reassign someone. He further stated this was not an easy cut for him, but felt he had to make a cut since he asked everyone else to.

Mr. McClure seconded Mr. Cusick’s motion.

As there were no further questions or comments, Mr. Angle called for the vote.


The motion passed by a vote of 5-3.

Mr. Angle asked if there were any questions or comments regarding the Vector Control Superintendent and Vector Control Assistant positions in the Vector Control Division of the Public Works Department.

In response to Mr. Dowd’s question as to where would the County get the assistance to deal with such things as the spraying for gypsy moths and West Nile Virus, Mr. Cusick advised correspondence was received from the Administration that indicated some of these services could be provided by the State,
noting Lehigh County did the work with one half of one employee.

Mr. Dietrich stated by eliminating these positions, the County was going to lose State funding, as well as the services.

Mr. Cusick advised there were three options for this service. He further advised the first was to keep things as they currently were, the second was to follow the model of Lehigh County where they had one employee under the Agricultural Extension or the third was to eliminate it and have the State take over the program. He noted he would consider the second option which would move one employee into Agricultural Extension, but he did not know if this individual would have to take on Agricultural Extension responsibilities.

Mr. Conklin stated he could not confirm what the State would actually do because the Department of Environmental Protection (DEP) had not gotten back to him. He further stated in several conversations with Mr. Andrew Kyle, DEP Vector Control Division Chief, he learned that DEP contracted out the spraying for the black fly and then invoiced the County for the cost. He noted he was informed that Lehigh County could not get the State money designated for Northampton County if they were to take over the responsibilities.

In answer to Mr. Angle’s question as to what he wanted to do, Mr. Cusick advised he felt if the State was going to provide the service, then the division should be abolished. However, if there was not a consensus to do that, then he would like to move one individual to Agricultural Extension.

Mr. Dowd stated he was concerned about the State’s ability to react quickly based on past experiences.

Mr. Angle asked if there was any motion to restore these positions. There were no respondents.

As there were no further questions or comments, Mr. Angle called for the vote on the list as amended, noting it restored the position of Director of Court Services.


The resolution was adopted by a vote of 5-3.

Funded Part-Time Occupied Positions

Mr. Angle introduced the following resolution:

R. 105-2010 WHEREAS, the Administration has prepared and submitted to County Council a listing (a copy is attached hereto and labeled as Exhibit “A”) of Funded Part-Time Vacant Positions in the 2011 budget.

WHEREAS, the positions listed on this sheet correspond to some of the budget revisions contained on the “2011 Proposed Budget, Schedule of Budget Revisions” (a copy is attached hereto and labeled as Exhibit “B”).

RESOLVED, by the Northampton County Council that the funded part-time vacant positions in the 2011 budget, as listed on Exhibit “A”, shall be abolished effective December 31, 2010.

As there were no questions or comments, Mr. Angle called for the vote.


The resolution was adopted by a vote of 7-1.

Consideration of the 2011 Northampton County Budget – 2011 Salary Resolutions

Part-Time Professional Employees

Mr. Cusick and Mrs. Ferraro introduced the following resolution:

R. 106-2010 RESOLVED, By the Northampton County Council that the 2011 salaries of part-time professional employees shall be as indicated on the attached pay scale.
Mr. Cusick advised that senior citizens had not seen a Social Security increase in two years, therefore, it was tough for him to give pay raises to these individuals.

Mr. Cusick made a motion for the salaries for the Part-Time Professionals be maintained at the 2010 salary level.

Mrs. Ferraro seconded the motion because individuals in the private sector had not received increases in a few years.

In answer to Mr. McClure’s question as to what the impact on the budget would be, Mr. Dowd and Mr. Angle both indicated it would be very small.

As there were no further questions or comments, Mr. Angle called for the vote.


The resolution was adopted by a vote of 7-0 with 1 abstention.

Full-Time Employees

Mr. Angle introduced the following resolution:

R. 107-2010 RESOLVED, By the Northampton County Council that a salary increment, if applicable, shall be given to all Career Service and Exempt employees, not within Collective Bargaining Units, on the effective date of this resolution, whose job classifications are within the parameters of the Northampton County Career Service and Exempt Pay Scales, respectively.

Mr. Stoffa stated this was a 2.25% increase, with 1.25% going to health care costs so it amounted to a 1% increase.

As there were no further questions or comments, Mr. Angle

The resolution was adopted by a vote of 6-2.

Consideration of the 2011 Northampton County Budget - Adoption of the 2011 Budget and 2011 Capital Improvements Plan

Consideration of Amendments to the Proposed 2010 Budget

Mr. Angle introduced the following resolution:

R. 108-2010   RESOLVED, By the Northampton County Council that the proposed 2011 Northampton County Budget and Northampton County Capital Improvements Plan shall be amended as indicated on the attached documents.

When Mr. Cusick indicated that there was a decrease in Farmland Preservation of $500,000, Mr. Angle advised him there was not a decrease. He further advised the original deal was $2 million, with $500,000 coming from the Bond Issue and $1.5 million coming from new money so nothing had changed.

Mr. Cusick stated if Farmland Preservation was at $2 million, he would not make any changes.

In response to Mr. Cusick’s question regarding the funding for municipal parks, Mr. Doran Hamann, Budget Administrator, advised the $3.7 million in the proposed budget did not include any funding for municipal parks.

Mr. Conklin stated there was no new money for municipal parks, but there was money from last year. He further stated any projects the municipalities had already applied for would be covered.

In answer to Mr. McClure’s question regarding the Open Space Initiative funding, Mr. Conklin advised the .5 mills generated $3.7 million and this reflected how it was being
reduced by $2.2 million.

With regard to Environmentally Sensitive Land, Mr. Cusick stated that there were a lot of lands on the list for years that have not been closed out, therefore, he would like to see where they were in the process and determine how the County should proceed with them.

Mr. Angle made a motion to restore $300,000 to the Courts budget.

Mr. McClure seconded the motion.

Mr. Dietrich advised that Mr. Stoffa asked all the departments to decrease their operating costs by 5% and the Courts declined to do so and it went through as presented.

As there were no further questions or comments, Mr. Angle called for the vote.


The motion failed by a vote of 2-6.

Mr. Cusick stated at the last budget hearing, Mr. Dietrich made a suggestion to reduce the funding of Gracedale from six months to three months. He further stated he felt it was a good idea and the only way to force the County Executive to run Gracedale in a fiscally responsible manner was through the power of the purse.

Mr. Cusick made a motion to reduce the funding for Gracedale from six months to three months.

Mr. Dietrich advised he had made that suggestion, but since then, the Administration had provided some information on the impact it would have so his position had changed. However, he would second Mr. Cusick’s motion so the matter could be discussed.

Mrs. Ferraro asked if the individuals collecting signatures
for the petition to put this issue on the ballot got all the necessary signatures by January, what impact would that have on the sale of Gracedale and the County only funding it for three months.

Mr. Angle stated it would not hold up the sale of Gracedale. He further stated all it would do, after the Election Office validated the signatures, would allow it to be placed on the ballot.

In response to Mr. Dietrich's question as to what the impact would be on Gracedale if the funding was reduced, Mr. Conklin advised the decrease of $2,990,500 pertained to the operational expenses, however, if it went beyond that, then it would be cutting into personnel.

Mr. Stoffa stated he preferred to leave it at six months.

Mr. Ross Marcus, Director of Human Services, advised the County had a self forgiving loan with the County Commissioners Association of Pennsylvania, which meant for every year that the County maintained ownership after the completion of the project, the County received 25% off the amount it had to pay back. Therefore, by keeping Gracedale until the Spring, the County would save approximately $1 million.

Mr. Cusick stated that no matter what course of action was taken, the County had to operate Gracedale more efficiently, which might include some management changes.

Mr. McClure advised he believed Mr. Cusick's amendment would make it more difficult to obtain the efficiencies that everyone agreed had to happen. He further advised he would suggest not doing anything about Gracedale at this time, let the citizens decide what its fate would be and then determine how the County would proceed.

Mr. Dowd stated he was not prepared to go down to three months when the County would be losing $1 million.

Mr. Cusick advised, based on the discussion, he would withdraw his motion.

Mr. Angle stated there were a lot of factors working
against Gracedale and it was not just the County’s contribution, noting the State gave more funding to private nursing homes than they did to public nursing homes.

Mr. Angle advised he made a proposal to have the unions give back $6 million in benefits so Gracedale could have operated for two more years and then they could have had a management firm come to determine how to make Gracedale operate more efficiently.

Mr. McClure stated the unions were negotiating with the County and they were up to $3 million, but they wanted a successor clause and Mr. Angle said that was the deal breaker. Therefore, he asked Mr. Angle why he did not want to give them a successor clause if Gracedale was going private to protect its employees.

Mr. Angle advised they did get to the $3 million and were heading toward the $6 million, but then they went to their superiors who said they wanted the successor clause. He further advised his reply was he would be willing to make a deal with them that if they gave back the $6 million, they would guarantee them that Gracedale would not be sold and they would work on getting Gracedale to operate correctly. He noted their reply was that they were instructed to take everything off the table.

Mr. McClure stated he understood that, but he still did not understand why he would not agree to a successor clause.

Mr. Angle advised they did not have to offer a successor clause because they offered them a two year no sell deal at which time their contracts were up. He further advised that he was told that American Federation of State, County and Municipal Employees was bargaining with five other places so they could not afford to give back to Northampton County while they were bargaining in other places.

Mr. McClure questioned even given that fact, why would the County not want to protect its employees by giving a successor clause.

Mr. Angle stated they basically did offer a successor clause when the offer was made not to sell Gracedale for two years.
Mr. Angle temporarily adjourned the meeting so that Mr. Flisser and Mr. Hamann could present the new figures based on the budget amendments.

Mr. Angle called the meeting back to order.

Mr. Cusick made a motion to remove from the list of amendments the position of Director of Court Services.

Mr. Dowd seconded the motion.

As there were no further questions or comments, Mr. Angle called for the vote on the motion.

The vote: Cusick, "yes"; Dowd, "yes"; Dietrich, "yes"; Ferraro, "yes"; Gilbert, "yes"; McClure, "yes"; Thierry, "yes" and Angle, "yes".

The motion was passed by a vote of 8-0.

Mr. Angle called for the vote on the list of amendments, as amended, to the proposed 2011 budget.

The vote: Dietrich, "yes"; Cusick, "yes"; Dowd, "yes"; Ferraro, "yes"; Gilbert, "yes"; McClure, "yes"; Thierry, "yes" and Angle, "yes".

The resolution was adopted by a vote of 8-0.

Adoption of the 2011 Northampton County Budget As Amended

Mr. Angle introduced the following resolution:

R. 109-2010 RESOLVED, By the Northampton County Council that the following 2011 Northampton County Budgets (incorporated by reference hereto) shall be adopted, as amended, this 4th day of November 2010.

1. General Fund
2. Special Revenue Funds
3. Capital Project Funds

As there were no questions or comments, Mr. Angle called
for the vote.


The resolution was adopted by a vote of 7-1.

Adoption of the 2011 Capital Improvements Plan As Amended

Mr. Angle introduced the following resolution:

R. 110-2010 RESOLVED, By the Northampton County Council that, in accordance with Home Rule Charter Section 702, the 2011 Northampton County Capital Improvements Plan, as amended, (a copy incorporated by reference thereto) shall be adopted this 4th day of November 2010.

As there were no questions or comments, Mr. Angle called for the vote.


The resolution was adopted by a vote of 6-2.

Adoption of the 2011 Real Estate Tax Millage Rate Ordinance

Mrs. Thierry and Mr. Dowd introduced the following ordinance at the September 21, 2010 County Council meeting:

AN ORDINANCE PROVIDING FOR THE REAL ESTATE TAX MILLAGE RATE IN THE COUNTY OF NORTHAMPTON FOR THE YEAR 2011

IT IS HEREBY ORDAINED AND ENACTED, that the millage rate for real estate tax purposes for the year 2011 shall be set at 10.8 mills on every dollar of assessed valuation of taxable real estate or $1.08 on every $100.00 of assessed valuation.
Mr. Dietrich made a motion to reduce the millage rate from 10.8 to 10.7.

Mr. McClure seconded the motion.

Mr. Angle stated that Mr. Hamann and Mr. Flisser would now have to go back and redo the amendments because the budget would be out of balance.

When asked where he would take the money from, Mr. Dietrich advised he would take it from the budgetary reserve.

Mr. McClure stated for years he had been talking about the Fund Balance, which was generally kept at approximately $60 million a year. He further stated he felt that was over taxation and with this budget, the budgetary fund balance at the end of 2011, whether Gracedale was sold or not, was going to be approximately $60 million. Therefore, he felt there was more than enough money for Mr. Dietrich’s motion for the millage decrease.

Mr. Dietrich advised if a full mil was not acceptable, he would reduce it to a half mil.

Mr. Cusick agreed that Mr. McClure had been consistent in his view, but one of the concerns he had about this proposal was that should the County be forced to fund Gracedale for an additional six months, that would be another $3 million which is not accounted for anywhere in this budget.

Mr. Gilbert stated he would like to wait until next year to decrease the millage because at this time, he felt it might do the taxpayers more harm than good to do it now without knowing what was going to happen next year.

As there were no further questions or comments, Mr. Angle called for the vote on the motion.


The motion failed by a vote of 6-2.
Mr. Angle made a motion to drop the millage rate by 3 mills, but before anyone could second it, he withdrew it.

As there were no further questions or comments, Mr. Angle called for a vote on the ordinance.


The ordinance was adopted by a vote of 6-2.

Introduction of the Governmental Accounting Standards Board Statement No. 54 Ordinance

Mrs. Thierry and Mrs. Ferraro introduced the following ordinance:

AN ORDINANCE ESTABLISHING THE COUNTY OF NORTHAMPTON GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 (GASB No. 54) FUND BALANCE POLICY; PROVIDING SEVERABILITY; REPEALER AND EFFECTIVE DATE

WHEREAS, the County of Northampton, Easton, Pennsylvania desires to establish a Fund Balance Policy consistent with the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; and

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY THE COUNTY COUNCIL OF THE COUNTY OF NORTHAMPTON, PENNSYLVANIA, THAT:

Section I. TITLE

This ordinance shall be known as the Northampton County Governmental Accounting Standards Board Statement No. 54 Fund Balance Policy Ordinance.
Section II. DEFINITIONS

The following words and phrases when used in this Ordinance shall have the meanings given to them in this section unless the context clearly indicates otherwise:

A. Fund Balance - As defined by the Governmental Accounting, Auditing and Financial Reporting of the Government Finance Officers Association (GFOA), fund balance is "The difference between assets and liabilities reported in a governmental fund."

B. Non-Spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

C. Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

D. Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (ordinance) of the Northampton County Council, the County's highest level of decision making authority. Commitments may be changed or lifted only by the Northampton County Council taking the same formal action (ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in
E. Assigned Fund Balance - Includes spendable fund balance amounts established by management of the County that are intended to be used for specific purposes that are neither considered restricted or committed.

F. Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.


H. Reservations of Fund Balance - Reserves established by the Northampton County Council (committed fund balance) or County management (assigned fund balance).

SECTION III. PURPOSE

A. The County hereby establishes and will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

B. A Fund Balance Policy is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available
resources to repay long-term debt, reduce property
taxes, add new governmental programs, expand existing
ones, or enhance the financial position of the County,
in accordance with policies established by the
Northampton County Council.

C. This Fund Balance Policy establishes:

1. Fund balance policy for the General Fund;

2. Reservations of fund balance for the General
Fund;

3. The method of budgeting the amount of estimated
unrestricted fund balance available for
appropriation during the annual budget adoption
process (prior to the actual, audited fund
balance being known) and what actions may need to
be taken if the actual fund balance is
significantly different than the budgetary fund
balance; and

4. Establish the spending order of operating
revenues and fund balances.

SECTION IV. FUND BALANCE POLICY (GENERAL FUND)

A. RESTRICTED FUND BALANCE

There is no restricted fund balance in the General
Fund. Amounts that can be spent only for specific
purposes stipulated by (a) external resource providers
such as creditors (by debt covenants), grantors,
contributors, or laws or regulations of other
governments; or (b) imposed by law through
constitutional provisions or enabling legislation will
be budgeted and reported in special revenue funds,
capital project funds or debt service funds.

B. COMMITTED FUND BALANCE
1. Commitment of fund balance may be made for such purposes including, but not limited to:

(a) major maintenance and repair projects;

(b) meeting future obligations resulting from a natural disaster;

(c) accumulating resources pursuant to stabilization arrangements;

(d) establishing reserves for disasters; and/or

(e) for setting aside amounts for specific projects.

2. Commitment of fund balance may be made from time to time by ordinance of the Northampton County Council. Commitments may be changed or lifted only by the Northampton County Council taking the same formal action that imposed the constraint originally (ordinance). The use (appropriation) of committed fund balances will be considered in conjunction with the annual budget adoption process or by budget amendment approved by ordinance of the Northampton County Council during the fiscal year.

C. ASSIGNED FUND BALANCE

1. Assignment of fund balance may be:

(a) made for a specific purpose that is narrower than the general purposes of the government itself, and/or

(b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

2. Assigned fund balance shall reflect management's
intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

D. NON-SPENDABLE FUND BALANCE

Non-spendable fund balance is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and, items legally or contractually required to be maintained intact such as the corpus (or principal) of a permanent fund.

E. MINIMUM LEVEL OF UNASSIGNED FUND BALANCE

1. Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.

2. If, after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 5% of General Fund budgeted operating expenditures, the Director of Fiscal Affairs will so advise the Northampton County Council in order for the necessary action to be taken to restore the unassigned fund balance to 5% of General Fund budgeted operating expenditures.

3. The County Executive will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reductions and/or revenue increases to the Northampton County Council. The County shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.
SECTION V. RESERVATIONS OF FUND BALANCE (GENERAL FUND)

A. COMMITTED FUND BALANCE

The Northampton County Council hereby establishes the following committed fund balance reserves in the General Fund:

1. Financial Stabilization - The Financial Stabilization Fund Balance is committed by the Northampton County Council as set forth by the GFOA who recommends, at a minimum, that General Purpose Governments, regardless of size maintain no less than one or two months of regular General Fund budgeted operating expenditures. A government’s particular situation may require levels of reserves in the General Fund significantly in excess of the GFOA’s recommended minimum levels.

2. Future Obligations - The Future Obligations Fund Balance is committed by the Northampton County Council, who entered into a swaption contract on July 8, 2004. The counter party has the option to exercise the agreement on October 1, 2012. The calculated future net settlement required by the swap is a future obligation.

3. It will be the responsibility of Northampton County’s Director of Fiscal Affairs to report the current Committed Fund Balances in the County’s Quarterly Financial Statements.

B. ASSIGNED FUND BALANCE

The Northampton County Council hereby establishes the following assigned fund balance reserves in the General Fund:

1. Assignment to Subsequent Year's Budget - The subsequent year's budgetary fund balance reserve is assigned by County management as set forth in the annual budget (and any amendments thereto) to
appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

2. Assignment to Encumbrances - The Northampton County Home Rule Charter provides for capital expenditure appropriations to continue in force until the purpose for which it was made has been accomplished or abandoned, within a three year period from inception.

3. It will be the responsibility of Northampton County’s Director of Fiscal Affairs to report the current Assigned Fund Balances in the County’s Quarterly Financial Statements.

SECTION VI. BUDGETING

A. APPROPRIATION OF UNRESTRICTED FUND BALANCE

The actual amount of unrestricted fund balance (total of committed fund balance, assigned fund balance and unassigned fund balance) is not known until the completion of the annual audit which takes place four months after the end of the fiscal year being audited. However, an estimate of unrestricted fund balance must be made during the annual budget adoption process (October through December 17) which is prior to the end of the fiscal year, December 31.

B. ESTIMATED BEGINNING FUND BALANCE.

In order to achieve the most accurate estimate possible, the County Executive or designee shall project both Sources of Funds (revenues, prior years unrestricted fund balances carried forward and other financing sources) and Uses of Funds (operating and non-operating expenditures), including accruals, for each department in each governmental fund through December 31st of the then current fiscal year. These
projections will be shown in a separate column for each fund in the proposed and final budget documents. The difference between the estimated actual sources of funds and estimated actual uses of funds is the calculated estimated beginning fund balance for the subsequent fiscal year. If planned for use in the subsequent fiscal year, committed and assigned fund balance may be included in the estimated beginning fund balance.

C. ESTIMATED ENDING FUND BALANCE

1. For the year being budgeted, a calculation of estimated ending fund balance shall also be made. This calculation shall be the difference between the budgeted sources of funds and the budgeted uses of funds as described above.

2. Since the uses of funds are restricted, committed or assigned in all other governmental fund types there is no policy to the amount of ending fund balance unless the project is completed and the fund should be closed. In this situation, a residual equity transfer will be made to zero-out any remaining fund balance.

3. If, after the annual audit, the actual General Fund unassigned fund balance is greater than 20 percent of budgeted operating expenditures in the General Fund, the excess may be used in one or a combination of the following ways:

   (a) Left in the General Fund to earn interest and roll forward into the subsequent year's beginning fund balance;

   (b) Appropriated by ordinance of the Northampton County Council for a one-time expenditure or opportunity that does not increase recurring operating costs;

   (c) Committed to increase a formal
stabilization arrangement or reserve
(including but not limited to economic stabilization, contingency reserves or disaster reserves); or

(d) Appropriated for start-up expenditures of new programs undertaken at mid-year, provided that such action is considered in the context of council-approved multi year projections of revenues and expenditures.

SECTION VII. SPENDING ORDER OF OPERATING REVENUES AND FUND BALANCES

The County will first use Federal, then State, and lastly County revenues to meet its financial obligations. The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

SECTION VIII. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE POLICY

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process, and the amounts of restricted, committed, assigned, non-spendable and the minimum level of unassigned fund balance shall be determined during this process.

SECTION IX. ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITIES

It will be the responsibility of the Northampton County Director of Fiscal Affairs to keep this policy current.
SECTION X. EFFECTIVE DATE

This Policy shall take effect thirty (30) days after the date of enactment of this ordinance.

SECTION XI. REPEALER

That any Ordinances, or part of Ordinance, conflicting with this Ordinance be and the same is hereby repealed insofar as the same affects this Ordinance.

SECTION XII. SEVERABILITY

If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared as the intent of the Northampton County Council that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

Health Department

Mr. Dowd advised he planned to bring to the table for consideration next year, after the Gracedale issue was resolved, the development of the health department.

Mr. Cusick stated he agreed that until the Gracedale matter was resolved, he did not think County Council could even consider it.

Executive Session

Mr. Lauer advised at 9:31 p.m., the members of County
Council adjourned to Executive Session and at 10:00 p.m., they reconvened. He further advised the Executive Session was called to discuss a litigation issue.

Economic Development Committee Report

Mr. Dowd stated the Economic Development Committee met earlier today and one of the discussions was the reallocation of Community Development Block Grant funds. He further stated they had a presentation by the Lehigh Valley Economic Development Corporation regarding the Lehigh Valley Land Recycling Initiative.

Mr. Dowd advised that an invitation had been extended to the members of County Council by the Northampton County Historical and Genealogical Society at 4:00 p.m., November 17, 2010, to see the unveiling of two major exhibits, which were the interactive map and Just Born.

Human Services Committee Report

Mr. Dietrich stated there will be a Human Services Committee meeting on November 18, 2010.

Northampton County Gaming Revenue and Economic Redevelopment Authority Liaison Report

Mr. Angle advised Mrs. McHale had forwarded a report that seven municipal grants had been awarded under the 2010 Local Share “Restricted” Municipal Gaming Grants Award (see Attachment #1).

Agricultural Extension Liaison Report

Mr. Dietrich stated on January 5, 2010, at the Northampton Community College, there would be a discussion on drinking well safety.

Council Solicitor’s Report
Mr. Lauer advised he received inquiries from two County Council members and was in the process of responding to them. He further advised he received correspondence from an attorney in Nashville, Tennessee, who specialized in representing those interested in the construction and operation of private prisons which he was forwarding to Mr. Karl Longenbach, the County’s Solicitor. He noted he also received an e-mail from an individual who had a lot of complaints about a private prison company that he was also passing along to Mr. Longenbach.

Resignation Letter

Mr. Angle stated people in the audience and some members of County Council had made some comments regarding his leadership. He further stated he had prepared a letter of resignation and asked if anyone wanted him to submit it. There were no respondents.

Adjournment

Mr. Angle made a motion to adjourn.

The motion was passed by acclamation.

Frank E. Flisser
Clerk to Council