A regular meeting of the Northampton County Council was held on the above date with the following present: John Cusick, President; Margaret L. Ferraro, Vice President; Thomas H. Dietrich; Bruce A. Gilbert; Kenneth M. Kraft; Lamont G. McClure, Jr.; Scott Parsons; Barbara A. Thierry; Robert F. Werner; Frank E. Flisser, Clerk to Council, and Philip D. Lauer, Solicitor to Council.

Prayer

Mr. Cusick led County Council in prayer to open the meeting.

Pledge of Allegiance

Mr. Kraft led County Council in the pledge of allegiance.

Approval of the Minutes

Mr. McClure made the following motion:

Be It Moved By the Northampton County Council that the minutes of the November 29, 2011 and February 2, 2012 meetings shall be approved.

Mrs. Thierry seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Mr. Jonathan Siedt, 280 Texas Road, Easton, PA - stated after today’s incident in the District Attorney’s File Room, he believed the County should highly consider hiring a qualified risk manager. He then asked if the County had a plan for medical surveillance.

Mr. Werner advised he believed Mr. John Stoffa, County
Executive, was looking into hiring a qualified risk manager, however, he did not know what the plans were for medical surveillance.

Mr. Ken Nagy, Forks Township, PA - stated he wanted to thank Mr. McClure for wanting to get a second opinion on the Swaption and the action to be taken on it.

Mr. Nagy advised he found a lot of similarities between the Swaption and the bi-County health department. He further advised both came with up front free money, promises were made that were too good to be true and only projections were provided. He noted one only had to look at how much it was costing to take care of the 600 residents to find out it was going to cost a lot more to take care of 600,000 people.

Mr. Nagy stated in the Fall of 2005, he attended several proposals and presentations that were given by the directors of the existing health departments. Mr. Nagy further stated in 2005, the Allentown Health Bureau required a tax subsidy of $1 million.

Mr. Nagy advised if the Allentown and Bethlehem health departments were combined, they would serve a population of approximately 180,000 with 77 employees at two sites, but this proposal was having 118 employees taking care of 600,000 people at five sites.

Mr. Nagy stated it had been reported the Lehigh Valley ranked in the bottom as far as wellness and other such issues, however, when he viewed County health rankings, Lehigh and Northampton Counties were rated 27 and 28, which was ahead of some other Counties with existing health departments. He further stated the two healthiest Counties in the State were Union and Centre Counties, which did not have health departments.

Mr. Nagy advised he had been told on two separate occasions that once the County entered the program, they could not get out of it so he felt that question should be posed to the State to get a specific answer.

Mr. Nagy stated it was indicated that since the Counties controlled the funding, they controlled the expense of the
department, which was half true because if certain grants were accepted, there were services that were mandated whether the grant provided enough funding for those services or not.

Mr. Nagy advised there were 15 County health departments in the State and he suggested having representatives from at least four of them appear before County Council to identify and present their costs and services. He further advised County Council had a fiduciary responsibility to the taxpayers and a second opinion should be obtained that took reality and posed it against projections.

Ms. Holly Pulsinelli, Northampton County Employee - stated for years, employees had been told despite their physical symptoms, test results showed there was no asbestos, fiberglass or allergens in their work place, but now tests have shown there was asbestos in their rooms and in the building.

Ms. Pulsinelli advised they were told to have faith in the test results when it showed no asbestos, but when asbestos was found, its abatement was limited to vacuuming and dusting, which was not proper procedure. She further advised they were told no testing could be done for other dangerous allergens such as mold so how could they trust the Administration when they say it was safe for them to be in their work areas. She noted the Law Library was shut down by the Department of Environmental Protection Agency after abatement was done so did that mean the abatement was not done or done improperly and was that asbestos going through the vents, which might explain everyone’s symptoms.

Ms. Pulsinelli asked if they were to continually and blindly believe the Administration was following proper abatement procedures when the result of that leap of faith was people becoming sick. She further asked if the health and welfare of County employees meant so little to everyone in this room that they were doomed to futures of asbestosis, mesothelioma, or cancer and if they cared so little about the employees, what about the public that came into the building.

Mr. Ron Angle, Upper Mount Bethel Township, PA - stated Mr. McClure suggested getting another opinion regarding the Swaption, however, waiting had only increased the cost of getting out of it. He further stated they could keep discussing
the issue or put it off until the bank made its decision on July 1st, noting there was no easy way out of it.

Mr. Angle advised in Gracedale report revealed 18 reasonable recommendations, however, he did not think the County could implement them all. He further advised there was no question in his mind that a sale was inevitable, but the difference would be that the County would not be getting $35 million and a lot of money would have been spent on it.

Mr. Angle stated last year, the union came before County Council and indicted they would give back money to try to get the Gracedale situation under control, but so far this year, no such contract had been signed.

Mr. Angle then asked if the County intended to adopt these recommendations.

Mr. Parsons advised he was going to look at them, but probably not agree with all of them, however, there was approximately $2.9 million worth of savings so he could not see why they would not adopt them.

In answer to Mr. Angle’s question as to a time frame, Mr. Parsons stated he could not provide that, but he hoped it would be as soon as possible.

Mr. Angle advised it did not matter what was saved because the Governor just indicated he was going to cut approximately $1.4 million so the County would have to come up with that $1.4 million. He further advised the chances of getting Gracedale under control with no tax dollars were very slim because it was going to cost millions of dollars every year and more every year than a previous year.

Mr. Angle stated Gracedale needed to cut at least 150 beds in order to be competitive because Northampton County had too many nursing home beds so he wondered if that was going to be done.

Mr. Ted Harris, Forks Township, PA - advised he was on the County’s Safety Committee and President of Local 1265. He further advised for years there had been complaints about the air quality related to the major renovations that took place in
Mr. Harris stated on December 14, 2011, the County ordered an air quality test for the District Attorney’s file storage areas in question and the overall conclusion of the indoor quality sampling performed was that generally very good quality was present in the sampled areas of the building for things like airborne mold spores, carbon dioxide and carbon monoxide.

Mr. Harris advised on December 16, 2011, without knowing testing was being done, a class action grievance was filed by the staff of the District Attorney’s office and it came out there was no testing for asbestos. He further advised the reason given for not testing for asbestos was because in 2004, $250,000 was spent for a hazardous assessment study for the major remodeling so they based it on that report which indicated there was no asbestos in that area.

Mr. Harris stated the day after the grievance hearing, they asked for testing of these locations, which was agreed upon. However, he and Mr. Siedt, as members of the Safety Committee, were banned from participating in any of the testing or even observing it, but they brought the supervisor down from the District Attorney’s Office who got sick in the basement.

In response to Mrs. Ferraro’s question as to why they were banned, Mr. Harris advised he did not know, but he did know they were trying to restrict the Safety Committee from their operational duties even though it was in their contract that they should be included in investigations and things of that nature. He further advised since they were banned, they did not want to go near that area because it could create an atmosphere of suspicion. He noted they were sent a scope of work to approve within a short period of time, but they did not approve scopes of work.

Mr. Harris stated he was verbally told that the tests were negative for asbestos and unremarkable for mold and the District Attorney and his staff were told they could go back into the storage area to work. He further stated when he indicated he was not comfortable with that, he was told they were told it was all right for them to go down there. He noted Chrysotile was asbestos and for areas that did not contain any asbestos, Chrysotile was located there.
Mr. Mario Martinez, Forks Township, PA - asked if the committee for Gracedale had been formed and who was on it. He advised there were some members of the Coalition of Alzheimer Families that were willing to be part of it.

Mr. Cusick stated it had not been formed because they were trying to determine the size and make up of the committee.

In answer to Mrs. Ferraro’s question as to the time frame to establishing this committee, Mr. Ross Marcus, Director of Human Services, advised he hoped to have something in place by the next Personnel Committee meeting.

Ms. Theresa Bush, Church Road, Pen Argyl, PA - stated she worked in the District Attorney’s Office and was asking for County Council’s help in finding out what was making so many people sick in this office, as well as other offices in the County. She further stated the cleanliness of their basement file rooms had been an issue for many years and her experience had been since she started in the District Attorney’s office in 2004, there were large holes in the walls, heavy layers of dust on tarps covering their files and dust on the files and shelves themselves.

Ms. Bush advised she originally assumed it was dust from dry wall or plaster, but now she was not so sure. She further advised they requested testing and clean up, but it had only been recently that they were told one of their rooms would be closed and the asbestos would be cleaned up. She noted the amount of asbestos was considered small, but according to the World Health Organization, there was no safe level of exposure to asbestos. She further noted they understood that asbestos was everywhere, however, their complaint was they had been working in areas where construction occurred and their requests for clean up were not addressed until years later.

Ms. Bush stated they also requested testing for mold and other irritants because several people in her office had symptoms of itchy skin, rashes, watery eyes, sore throats, chronic sinus and upper respiratory infections, noting most of these symptoms were associated with sick building syndrome. She further stated three people in her office need to use inhalers after spending time in the file rooms and when they bring these boxes or files up from the basement to the office, they could be
bringing contaminants up with them. She noted seven people in the office had filled out witness statements as a result of their grievance and in addition to her supervisor, four out of those seven people have spent significant amounts of time in these file rooms while the others handled files brought up from the basement.

Ms. Busch advised they were not asking for mahogany shelves or plush carpeting just a clean and safe working environment.

Mr. Ron Hoffman, 1205 North Boulevard, Bethlehem, PA stated he had lived in the community 60 years and the population was aging. He further stated there had to be a hold on taxes in the County because the seniors could not afford them. He further stated no matter what their party, everyone had to work together to try and solve the problems the people of this County were facing.

Ms. Constance Rampulla, Bethlehem Township, PA agreed taxes could not be raised because people, not just seniors, could not afford it. She advised if they could give retired working class seniors, on a fixed income more tax breaks, they might be able to afford to keep their homes and pay their bills.

Ms. Rampulla stated if they have ever seen anyone with asthma, any kind of cancer or any kind of emphysema, they would be a little more involved in getting rid of the asbestos.

Mr. Ron Heckman, Bethlehem, PA advised he felt having an advisory board for Gracedale was a great idea.

County Executive Report

Mr. Stoffa stated he would rather defer his time to the Swaption and the Executive Session.

Confirmation of Appointments

Mr. Cusick advised the Personnel Committee met yesterday to consider the County Executive’s appointments and re-appointments.

Mr. Kraft introduced the following resolution:
R. 11-2012  RESOLVED, by the Northampton County Council that the following individuals shall be confirmed in their appointments/re-appointments as indicated hereafter:

FARMLAND PRESERVATION BOARD

Appointment: Todd Gulick
Term to Expire: 6/30/12
6504 Koehler Road
Bangor PA 18013

LEHIGH and NORTHAMPTON TRANSPORTATION AUTHORITY

Re-appointment: Fred Williams
Term to Expire: 3/2/17
3816 Tiffany Drive
Easton PA 18045-3047

MENTAL HEALTH, EARLY INTERVENTION & DEVELOPMENTAL PROGRAMS ADVISORY BOARD

Appointment: Stephanie Ruggiero
Term to Expire: 2/16/15
10 South 5th Street
Easton PA 18042

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


The resolution was adopted by a vote of 9-0.

Swaption Presentation: Scott Shearer, Public Financial Management
Mr. Cusick stated Mr. McClure made the arrangements for Mr. Scott Shearer, Public Financial Management, Inc., to be present at this meeting to address the Swaption issue.

Mr. Shearer provided a handout entitled, "County of Northampton Financial Analysis, February 16, 2012" (see Attachment #1). He advised he handled debt financing for local governments across the Commonwealth and his firm had been advising on Swaptions for quite some time.

Mr. Shearer stated October 1, 2012 was the exercise date for the Swaption, which meant on July 3, 2012, Merrill Lynch, the Swaption counter party, would have to give notice as to whether they would be exercising the Swaption, which he believed they would. He further stated if the Swaption was exercised and the County went into it, the County would be paying a fixed rate to the Swaption counter party of 4.91% and receiving a variable rate of 67% of one month London Interbank Offered Rate (LIBOR).

Mr. Shearer advised in July 2004, the County received an up front payment of approximately $1.8 million and if the Swaption was exercised, it would receive approximately $500,000 for issuance costs or any debt service impact that may be incurred initially. He further advised the current mid-market termination value was approximately $24.7 million.

Mr. Shearer stated the County had a very good credit rating, but Merrill Lynch’s rating had deteriorated substantially. He further stated he did not have all the documents related to this transaction, but there could be some things in them the County could use as leverage to its benefit during the discussions to terminate the Swaption.

Mr. Shearer advised the market to go into the Swaption was not a whole lot different today than it was in 2004, however, the fixed rate market had drastically changed which caused the termination amount to be higher.

Mr. Shearer stated in Option 1, Fixed Rate Refunding, the County refunded the 2001 Bonds with traditional tax exempt bonds and terminated the Swaption with a taxable bond issue. He further stated the present value cost was approximately $9.4 million.
Mr. Shearer advised in Option 2, Variable Rate Refunding, the County refunded the 2001 Bonds with some form of variable rate debt and entered into the Swaption. He further advised the present value cost would be approximately $2.9 million.

Mr. Shearer stated in Option 3, Hybrid Flexible and Variable Rate Refunding, the County refunded half of the 2011 Bonds with fixed rate bonds and half with variable rate debt. He further stated the County would terminate half the Swaption with taxable bonds and enter into half the Swaption. He noted the present value cost would be approximately $6.4 million.

In response to Mr. McClure’s question as to what was the significance of the rating agencies with respect to the three options, Mr. Shearer advised when Moody and Standard and Poor’s looked at the County’s rating previously, they probably looked at the County’s Swaption portfolio, but now since it was most likely going to be exercised, they were probably going to take a closer look at it and the last thing the County wanted was its credit rating to start deteriorating.

In answer to Mrs. Thierry’s question as to what option would he lean toward, Mr. Shearer replied Option 3, noting it came down to risk tolerance and parting with cash. He further replied he did not know if the County planned to pay for the termination with cash or borrow it. He noted for their numbers, they were assuming the County was going to borrow termination on a taxable basis, but they did show the numbers if the County were to contribute $10 million for either Option 1 or 3.

In response to Mr. McClure’s request to explain present value cost, Mr. Shearer stated it took cash flows and values that were going to be realized over the next 10-20 years and putting it back in today’s dollars.

Mr. Dietrich advised a presentation was previously given and it showed with a variable rate option, one of the biggest burdens that would be placed on the taxpayers was procuring a Letter of Credit. He further advised Mr. Shearer was providing two options that had some type of variable financing involved, but he did not see any reference to any additional expenses for debt services.
Mr. Shearer stated a few years ago, if the County chose Option 2, the Letter of Credit option for a variable rate deal would probably have been the best way to do it, however, now there were more efficient ways of issuing variable rate debt. He further stated there were Floating Rate Notes or replacement loans where the County could avoid the Letter of Credit fee, some of the bank risks and some of the ongoing re-marketing fees.

Mr. Shearer advised for the bond yield under Option 2, they were assuming a direct placement spread of 65 basis points off the index. He further advised to make this a good match, they would structure it so the County was paying a variable rate of 67% of one month LIBOR plus the locked in spread in the same amount of time.

Mr. Shearer stated right now they were assuming, based on this structure and credit, a spread of 65 basis points. He further stated two or three years ago, that number was 150 basis points or more, but it had come down substantially and so had the Letter of Credit fee so he would suggest putting it out for bid. He noted that was the only ongoing cost they were showing because unlike a traditional Letter of Credit, where the fees were typically higher and there were different risks, there were also the re-marketing fees that were not imbedded in these Floating Rate Notes.

In answer to Mr. Dietrich’s question as to what he was basing the 65 basis points on, Mr. Shearer advised on other deals they had seen, but that was why he recommended getting bids to get a better idea of the situation. He further advised this spread was not going to be locked in forever because every few years, the Floating Rate Notes would have to be re-marketed so this transaction had to be monitored consistently.

When Mr. Parsons stated he was not comfortable with variable rates and preferred fixed numbers when it involved taxpayer money, Mr. Shearer commented he heard that a lot, but it all came back to risk tolerance.

In response to Mr. Werner’s question as to what would happen to the County’s rating if it decided to terminate the Swaption, Mr. Shearer advised if the County chose Option 2,
there could be concern by the rating agencies because the debt was imbalanced, noting it had more nontraditional debt than traditional. He further advised if the County chose Option 1 and terminated the whole amount with cash, it could deplete its reserves and part of having a good credit rating involved having substantial reserves.

In answer to Mr. Gilbert’s question as to which of the three options would the rating agencies look more favorably on, Mr. Shearer stated he did not believe they would look favorably on terminating the Swaption with cash and depleting the fund balance by $25 million.

Mr. Gilbert advised that money was put aside so it would not affect the General Fund in a negative way and the County’s short term capital would not be damaged and it was being replaced with fixed instrument debt, which was the most traditional debt so he wondered if that was the best option.

Mr. Shearer stated it really depended on the mood of the rating agencies at that time, but they liked to see reserves whether or not they were utilized. He further stated he did not have detailed discussions with anyone in the County as to what the bottom line would be, but it was something that had to be presented.

In response to Mr. Parson’s question as to whether he would choose the option to pay to terminate the Swaption if the County’s credit rating was not going to change, Mr. Shearer advised he would personally choose Option 3. He further advised the termination value was at an all time high, the County had a very good credit rating and there were affordable options available so he would continue to monitor it because the flexibility existed to get out of it.

Mr. Shearer stated there was no clear cut answer and it all came down to the risk and if it stayed on the table, it had to be actively monitored. He further stated if County Council chose Option 2 or Option 3, it would have to pass a resolution or ordinance that if certain triggers were met, the County could quickly move and terminate the remainder of the Swaption at some point in time. He noted the ones that have been actively
managed came out of these circumstances with very minimal negative impact.

Mr. Shearer advised page 4 reflected if the County chose Option 1, with no cash involved, there would be basically no debt service impact for the next six or seven years. He further advised the County’s running rate or annual debt service was approximately $10.7 million and this option could be structured so the County stayed at $10.7 million. He noted there were bigger numbers in 2020 and on, but that was where the County’s existing debt tapered off so it did not increase the running rate.

Mr. Shearer stated page 5 reflected if the County chose Option 2, for the next five or six years, there would be a $280,000 increase of the County’s annual debt service so the County was basically going from a running rate of $10.7 million to approximately $11 million.

Mr. Shearer advised page 6 reflected if the County chose Option 3, the County went from a $10.7 million running rate to $10.75 million.

Mr. Shearer stated they looked at the present value cost, but their goal was to minimize the impact to the taxpayers and that went back to active monitoring.

In answer to Mr. McClure’s request to explain why the debt service was less under Option 3 than under Option 1, Mr. Shearer advised they were assuming in Option 1, the bond issue was approximately $90 million because the County was not only paying off the $67 million bond, but also funding $25 million of termination amount so it involved borrowing more money.

Consideration of the Moravian College - General Purpose Authority Project - Health, Safety and Welfare Resolution

Mr. Cusick stated the Department of Community and Economic Development requested County Council adopt a General Purpose Authority resolution pertaining to projects being considered by Moravian College. He further stated in the past, County Council approved similar projects and one of the conditions of obtaining
the low cost financing was that County Council certified the
particular project was desirable for the health, safety and
welfare of the citizens of the County. He noted the County’s
full faith, credit or taxing power was not pledged as a
guarantee for the funds being borrowed by Moravian College and
the college itself is the guarantor for the bonds being floated.

Mr. Cusick advised the Economic Development Committee
reviewed this request at its meeting held February 2, 2012, and
recommended it be presented to County Council for approval.

Mrs. Ferraro introduced the following resolution:

R. 12-2012

A RESOLUTION OF THE COUNTY COUNCIL OF THE
COUNTY OF NORTHAMPTON, PENNSYLVANIA,
APPROVING THE FINANCING BY THE NORTHAMPTON
COUNTY GENERAL PURPOSE AUTHORITY OF CERTAIN
CAPITAL PROJECTS FOR THE BENEFIT OF MORAVIAN
COLLEGE, A PENNSYLVANIA NOT-FOR-PROFIT
CORPORATION SERVING THE PUBLIC; DECLARING
THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY
AND WELFARE OF THE PEOPLE OF THE COUNTY OF
NORTHAMPTON, PENNSYLVANIA, AND THE AREA
SERVED BY MORAVIAN COLLEGE AND THE CAPITAL
PROJECTS TO HAVE THE PROJECTS PROVIDED BY
AND FINANCED THROUGH THE AUTHORITY; AND
AUTHORIZING OTHER NECESSARY AND APPROPRIATE
ACTION

WHEREAS, the Northampton County General Purpose Authority
(the "Authority") is a municipality authority incorporated and
existing under and governed by the provisions of the
Municipality Authorities Act of the Commonwealth of
effective June 19, 2001, which codifies and amends the
Municipality Authorities Act of 1945, amended and supplemented
(the "Authorities Act"); and

WHEREAS, the Authorities Act permits the Authority to
assist in the financing or refinancing of buildings and
facilities for eligible educational institutions; and
WHEREAS, Moravian College (the "College"), has represented to the Authority that it qualifies as an "eligible educational institution" under the regulations of the Authority and for purposes of the Authorities Act and is a nonprofit corporation existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the College is requesting that the Authority finance and/or refinance a project (the "2012 Project") consisting of, among other things, all or any of the following: (a) refunding all or any portion of the outstanding Pennsylvania Higher Educational Facilities Authority College Revenue Bonds (Moravian College Project), Series of 2001 issued for the benefit of the College; (b) refunding all or any portion of the outstanding Northampton County Higher Education Authority College Revenue Bonds, Series of 1999 (Moravian College) issued for the benefit of the College; (c) funding, if applicable, a debt service reserve fund for the Bonds (as hereinafter defined) and/or other necessary reserves and (d) financing contingencies and paying the costs and expenses incident to the issuance of the Bonds, including bond insurance or other credit enhancement, if advantageous to the College; and

WHEREAS, in order to finance the Project, the Authority will issue its College Revenue Bonds (Moravian College Project), Series of 2012 (the "Bonds") on behalf of the College; and

WHEREAS, the County of Northampton, Pennsylvania (the "County") approves the financing of the 2012 Project for the benefit of the College, and has determined that it is in the best interests of the people in the County and the area served by the College and the 2012 Project, and is desirable for the health, safety and welfare of the people in the County and in the area served by the College and the 2012 Project to have the 2012 Project provided, and undertaken, by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the COUNTY COUNCIL OF THE COUNTY, AS FOLLOWS:

1. In connection with the financing of the 2012 Project by the Authority, the Council hereby declares it to be desirable for the health, safety and welfare of the people of the County and in the area served by the College and the
2012 Project, to have the 2012 Project provided by, and financed through, the Authority.

2. The approval granted hereby shall not, in any way, pledge or obligate the credit or taxing power of the County, nor shall the County be liable for the payment of the principal of, or interest on, any obligations issued by the Authority in connection with the 2012 Project.

3. The County acknowledges that the Authority is entitled to rely upon, and will rely upon, the findings and determinations of the County as set forth in Paragraph 1 above.

4. This Resolution shall become effective immediately.

5. In the event that any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence or clause of this Resolution, it being the intent of the County that such remainder shall be and remain in full force and effect.

6. All resolutions or parts of resolutions inconsistent herewith are hereby repealed.

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


The resolution was adopted by 9-0.

Consideration of the Administrative Code Article XIII Contract Approval Resolution: Outside Legal Counsel for Labor and Employment Matters

Mr. Cusick stated from time to time County Council was asked to approve certain contracts due to the provisions of Administrative Code Article XIII. He further stated this matter
was reviewed at the Finance Committee meeting held yesterday and it was recommended that it be presented to County Council for approval.

Mr. Cusick introduced the following resolution:

R. 13-2012  WHEREAS, Northampton County Administrative Code Section 11.03 Outside Legal Counsel, provides in Section 11.03 a., “The Solicitor, with the approval of the County Executive and County Council, may retain outside legal counsel where necessary.” and in Section 11.03 b., “For the purposes of this section, outside legal counsel shall mean the use of any legal counsel, attorney, or firm of attorneys, other than the County Solicitor and Assistant County Solicitors, which may be used to defend and/or represent the County of Northampton, a County employee, or a County elected official in litigation; and/or assist the Solicitor’s Office with matters involving the County of Northampton.”; and

WHEREAS, Northampton County Administrative Code Section 16.04 Outside Legal Counsel, provides in Section 16.04 a., “The requirements set forth in Administrative Code Section 11.03, Outside Legal Counsel, shall apply to all departments, services, bureaus, offices, divisions, or other administrative unit under the direction and supervision of the County Executive.” and in Section 16.04 b., “For the purposes of Section 11.03, the term approval of County Council shall mean either the adoption of a separate and specific resolution, or ordinance, regarding any retention of outside legal counsel.”; and

NOW, THEREFORE, BE IT RESOLVED that the Northampton County Council authorizes the County Executive to award contracts to Flamm Walton PC, Norris McLaughlin& Marcus, and Ballard Spahr for outside legal counsel to advise and assist the County with labor and employment matters. It shall be understood that: (1) The total monetary amount of the award will be based on the actual services provided by the vendors, (2) The estimated not-to-exceed amount of $100,000 combined total per year and (3) The total monetary payout of $400,000 if all renewals are exercised.

Ms. Patricia Siemiontkowski, Director of Human Resources, advised in the Fall of 2011, they published a Request for
Proposals for employment and labor counsel. She further advised seven law firms responded and of those seven, three were asked to come back for interviews. She noted as they were very impressed with all three firms, the committee decided to recommend the approval of the three firms to give the County the flexibility to choose the firm that would best represent it in a particular situation.

Mr. Gilbert advised he would support this because he felt having one of three firms to represent the County in a particular situation instead of limiting it to one firm was the best position the County could be in.

Mr. McClure stated this seemed to be a dramatic departure from the action former County Council member Mr. Ron Angle wanted to take in the labor legal process. He further stated his proposal to use in house attorneys was seriously considered by County Council, but was ultimately rejected.

Mr. McClure advised now the Administration was asking to use three firms, who were promising it would only cost $100,000, but how often did the Administration come back to ask for more funding. He further advised he felt all three firms were excellent choices, but he was disappointed there were no Northampton County firms and he felt this would be the start of the process of having the County’s outside legal fees spiral upward again.

Mr. Cusick stated he hoped the funding would stay below the $100,000, but he had his doubt that the Administration would not be requesting additional funding.

Ms. Siemiontkowski advised in the past year, they did keep to the $100,000 budget.

Mr. McClure stated he did not feel this was a good move policy wide and it did not signal to him, or the employees, the Administration was trying to peacefully work out its labor problems so he would not be supporting it.
In response to Mr. Kraft’s question as to how many labor contracts were in dispute with the County, Ms. Siemiontkowski replied there were several that were currently in interest arbitration and they were waiting for those decisions. She further replied she was presently negotiating with the two Gracedale unions so the only contract that they would be working on next year was the Correction Officers contract. Therefore, she did not expect to be spending great sums of money, but they wanted to have the flexibility in having three firms to choose from only if the County wound up in interest arbitration.

Mr. Kraft advised he would also not support this resolution as he felt the County should take more seriously negotiations in getting to a contract and an equitable agreement instead of hiring these law firms. He further advised he had been up against every one of them and they all liked to spend money and go against the workers.

Ms. Siemiontkowski stated she hoped they could negotiate a contract and have everyone sign it, but this was just an option available in case that did not happen.

In answer to Mr. Kraft’s question as to whether there were any in house attorneys that could handle this, Mr. Karl Longenbach, County Solicitor, advised in house attorneys handled Workmen Compensation, Equal Employment Opportunity Commission and Unemployment Compensation claims. He further advised labor negotiations were a very specialized area and he knew of no attorney, who specialized in this type of work, that would do it for an Assistant Solicitor salary.

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


The resolution was adopted by a vote of 7-2.

Executive Session: Discussion of the Acquisition of Real Estate
Mr. Cusick stated the County Executive requested an Executive Session to discuss the acquisition of real estate.

Mr. Kraft made a motion for County Council to enter into Executive Session.

Mr. Gilbert seconded the motion.

Mr. Lauer advised County Council entered into Executive Session at 8:14 p.m. and returned at 8:35 p.m. to discuss the acquisition of real estate, which he believed was an appropriate subject for an Executive Session.

**Human Services Committee Report**

Mr. Dietrich stated at the Human Services Committee meeting held today, Premier Healthcare Resources provided an Executive Summary and indicated they would be providing a more detailed report on March 1, 2012.

**Personnel Committee Report**

Mr. Kraft advised a Personnel Committee meeting was held yesterday where it was indicated that the Administration was getting more aggressive regarding Workmen Compensation claims.

**Finance Committee Report**

Mr. Cusick stated the Finance Committee met yesterday and discussions were held regarding the outside legal counsel contract and the Swaption.

**Lehigh and Northampton Transportation Authority (LANta) Liaison Report**

Mr. Werner advised he attended the LANta meeting and right now they were in the process of re-evaluating where they were going with their paratransit program.
Conservation District Liaison Report

Mrs. Ferraro stated the Conservation District would be holding an Environthon on April 26, 2012, at Louise Moore Park. She further stated they announced they would be holding a teachers workshop in the Fall.

Adjournment

Mr. Gilbert made a motion to adjourn.

Mrs. Thierry seconded the motion.

The motion passed by acclamation.

Frank E. Flisser
Clerk to Council