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; Robert F. Werner; Frank E. Flisser, Clerk to Council, and Philip D. Lauer, Solicitor to Council. Absent was Barbara A. Thierry.

Prayer

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

Pledge of Allegiance

Mr. Cusick 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 June 21, 2012 meeting shall be approved.

Mr. Kraft seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Ms. Ellen Weiss, 214 North Main Street, Nazareth, PA - advised she appeared previously regarding the Gracedale wound treatment team and was here tonight to ask for County Council’s help as the situation had not been resolved. She further advised everyone talked about the continuity and quality of care, but neither could exist without a team. She noted the Registered Nurses did not have the time to handle these treatments properly and they were pulling a full time nurse to work daily with the team because they had not replaced those who retired.
In answer to Mr. Kraft’s question as to whether the individuals who retired trained anyone to replace them, Ms. Weiss stated they did not and there was only one full time individual left out of a team of three.

County Executive Report

Mr. John Stoffa, County Executive, advised the Swaption was officially terminated on June 22, 2012, at $27,275,000, which included a negotiated reduction of $625,000. He further advised a refinancing plan had been set in place, which would require some action by County Council.

Mr. Stoffa stated at the Finance Committee being held on July 18, 2012, there will be a motion to continue proceeding with the refunding and new money on the taxable portion. He further stated the County’s financial consultants would be present at that meeting.

Mr. Stoffa advised at the County Council meeting being held on July 19, 2012, hopefully there would be a reading of the debt ordinance and a recommendation from the Finance Committee with an update on the numbers.

Mr. Stoffa stated at the County Council meeting being held on August 2, 2012, the first public hearing would be held on the debt ordinance. He further stated on August 16, 2012, there will be the bond sale and second reading and passage of the debt ordinance, with the bond purchase agreement and other documents being signed by the County Clerk, County Executive and/or County Council President.

Mr. Stoffa advised prior to October 1, 2012, various signatures would be required and coordinated by the bond counsel.

In response to Mr. Werner’s question as to how much money would be put back into the budget from the 2001 Bond Issue, Mr. Stoffa replied it was approximately $421,000.
Mr. Stoffa stated with regard to the wound care team resolution, he strongly urged County Council to table it and refer it back to the Human Services Committee and the Gracedale Advisory Board for further study and discussion. He further stated if the County had confidence in Premier Healthcare Resources, they should be allowed to make the decisions that would make Gracedale as efficient economically as possible.

In answer to Mr. McClure’s question as to whether people were admitted back into the building after the State Police arrived with the bomb-sniffing canine, but before the Courthouse was cleared, Mr. Stoffa advised there might have been people who went into the Court side.

In response to Mr. McClure’s question as to who allowed them to go back in, Mr. Stoffa stated one was a Judge and another individual.

In answer to Mr. McClure’s question as to whether he ever considered closing the Courthouse due to the temperature factor, Mr. Stoffa replied he had and he also held a subsequent meeting to discuss what happened and to come up with some alternative solutions.

In response to Mr. McClure’s question as to why he decided against closing the Courthouse, Mr. Stoffa advised everyone would want compensatory time for it. He further advised some people told him that because it was not a significant bomb scare that people should not have been evacuated, but he did not want to take that chance. He noted there were a lot of criteria that was used by the experts in determining the significance of bomb threats.

In answer to Mr. McClure’s question as to whether the City of Easton reached out to him during their consideration of imposing the commuter tax, Mr. Stoffa stated they did not.

In response to Mr. McClure’s question as to whether steps were being made to insure that the residents at Gracedale were given identifications so they could vote, Mr. Ross Marcus, Director of Human Services, advised they received from the State Department of Aging some suggestions and they were having them
reviewed by their solicitor’s office and once that was done, they would be implemented. He further advised it looked like if the County issued picture identification with an expiration date stating the individual was a resident that might meet the State regulations, but that was not official.

In answer to Mr. McClure’s question as to when there would be a definite answer, Mr. Marcus replied within the next month or so.

When Mr. Stoffa answered he did not know why passport photographs were not done here, Mr. McClure suggested looking into it as a source for additional revenue.

Mr. Werner stated he just wanted to clarify some items pertaining to the Swaption. First, the County was able to avoid a verification report from the local banks, which saved an additional $5,000 in expenses and gained $245,000 in additional savings by doing what the County had done so far. Secondly, he believed more money would be able to be brought back to the County during 2012 based on the action of this Swaption transaction.

Introduction of the Swaption Ordinance

Mr. Cusick advised at the request of Mr. Dietrich, an ordinance was prepared which established that it is the “policy of the County of Northampton that from the effective date of this ordinance forward, the use of Qualified Interest Rate Management Agreements (QIRMAs), which are more commonly known as Swap Agreements and Swaptions, shall be strictly prohibited.”, and that “the County of Northampton shall not, participate in, utilize, approve or consider any derivative investment schemes similar to Qualified Interest Rate Management Agreements or Swaptions, that may exist in the future”. He further advised the public hearing, debate and possible vote was scheduled for the April 19, 2012 meeting.

Messrs. Dietrich, Werner and Parsons introduced the following ordinance:
AN ORDINANCE PROHIBITING THE COUNTY OF
NORTHAMPTON FROM ENTERING INTO ANY QUALIFIED
INTEREST RATE MANAGEMENT AGREEMENTS, SWAP
AGREEMENTS AND/OR SWAPTIONS

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania unanimously passed Act 23 of 2003, which expanded the use of derivatives and for the first time allowed school districts and local governments to enter into Qualified Interest Rate Management Agreements (QIRMAs), which are more commonly known as Swap Agreements and Swaptions; and

WHEREAS, the Auditor General of the Commonwealth of Pennsylvania in a report (Auditor General’s Report) titled, A SPECIAL INVESTIGATION OF THE BETHLEHEM AREA SCHOOL DISTRICT, LEHIGH AND NORTHAMPTON COUNTIES - A Case Study of the Use of Qualified Interest Rate Management Agreements (Swaps@ By Local Government Units in Pennsylvania, With Recommendations - November 2009;@ concluded, in part: A...that QIRMAs are highly risky and impenetrably complex transactions that, quite simply, amount to gambling with public money. Moreover they are susceptible of being marketed deceptively, and they principally benefit investment banks and the multitude of intermediaries who sell them to relatively unsophisticated public officials...@ and

WHEREAS, the Auditor General’s Report recommends: (1) The use of QIRMAs and other derivatives by Local Government Units (LGUs) and municipal authorities should be prohibited by law; (2) No LGU or municipal authority in this Commonwealth should enter into or utilize such instruments from this day forward; (3) Any LGU or municipal authority in this Commonwealth that is party to an active QIRMA should immediately terminate it and refinance with conventional debt instruments if necessary; (4) LGUs and municipal authorities should hire their financial advisors through a competitive selection process and periodically evaluate the quality, cost and independence of services provided; and

WHEREAS, the County of Northampton entered into and approved a QIRMA on June 17, 2004, by adopting Northampton County resolution No. 34-2004; and
WHEREAS, at the meeting held June 21, 2012, the Northampton County Council adopted resolution No. 48-2012 which terminated the Northampton County QIRMA, at a cost of $27,275,000.00.

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED by the Northampton County Council that: (1) it does hereby concur with the findings, conclusions and recommendations in the Pennsylvania Auditor General’s Report titled, “A SPECIAL INVESTIGATION OF THE BETHLEHEM AREA SCHOOL DISTRICT, LEHIGH AND NORTHAMPTON COUNTIES—A Case Study of the Use of Qualified Interest Rate Management Agreements (Swaps @ By Local Government Units in Pennsylvania, With Recommendations—November 2009”;

(2) it shall be the stated policy of the County of Northampton that from the effective date of this ordinance forward, the use of Qualified Interest Rate Management Agreements (QIRMAs), which are more commonly known as Swap Agreements and Swaptions, shall be strictly prohibited; (3) the County of Northampton shall not, participate in, utilize, approve or consider any derivative investment schemes similar to Qualified Interest Rate Management Agreements or Swaptions, that may exist in the future.

Effective Date

This Ordinance shall become effective thirty (30) days after the date of enactment.

Consideration of the Resolution Titled, “A RESOLUTION OF THE COUNTY OF NORTHAMPTON AUTHORIZING THE FILING OF A PROPOSAL FOR FUNDS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, COMMONWEALTH OF PENNSYLVANIA”

Mr. Cusick stated the Northampton County Department of Community and Economic Development requested County Council adopt a resolution authorizing the submission of an Emergency Shelter Grant Fund application. He further stated this resolution was reviewed at the Economic Development Committee meeting held earlier this evening.

Mrs. Ferraro introduced the following resolution:
R. 56-2012

RESOLUTION OF THE COUNTY OF NORTHAMPTON
AUTHORIZING THE FILING OF A PROPOSAL FOR
FUNDS WITH THE DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT, COMMONWEALTH OF
PENNSYLVANIA

WHEREAS, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three separate homeless assistance programs administered by the U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program, revising the Emergency Shelter Grants program and renaming it the Emergency Solutions Grants (ESG) program; and

WHEREAS, the Commonwealth of Pennsylvania through the Department of Community and Economic Development (DCED) has received ESG program funds and is making these funds available to County governments to access these funds for a limited scope of activities related to homelessness prevention and rapid re-housing services for homeless and at-risk households; and

WHEREAS, the County of Northampton desires to submit an application to DCED for ESG Program funds on behalf of five (5) housing service providers that have expressed interest in administering these funds to benefit Northampton County residents: Catholic Charities/Slater Family Network, Easton Area Neighborhood Center, ProJeCt of Easton, Victory House of Lehigh Valley and YMCA of Bethlehem.

NOW, THEREFORE, BE IT RESOLVED by the Northampton County Council that:

1. The proposed activities to be funded by a grant from the Pennsylvania ESG Program are hereby eligible and approved.

2. The County Executive, on behalf of the County of Northampton, is authorized and directed to execute an ESG Program application in the amount not to exceed $117,000 to the Pennsylvania DCED.

3. The subrecipient agencies, Catholic Charities/Slater Family Network, Easton Area Neighborhood Center, ProJeCt of Easton, Victory House of Lehigh Valley and YMCA of Bethlehem
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will assume the responsibility for securing the required matching amount of project funds.

4. The County of Northampton will reimburse the Commonwealth for any expenditure found to be ineligible and will require reimbursement from any subrecipient found to use funds for ineligible expenditures.

5. The Northampton County DCED is authorized to provide such assurances, certificates and supplemental data or revised data that DCED may request in connection with the application.

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


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

Consideration of the Commuter Tax Resolution

Mr. Cusick advised at his request, a resolution was prepared which opposed enactment of the new commuter tax in the City of Easton.

Mr. Cusick introduced the following resolution:

R. 57-2012 WHEREAS, the City of Easton is considering the implementation of a “commuter tax”; and

WHEREAS, currently workers who live outside of the City pay 1% in earned income tax. The commuter tax would increase that amount by an additional 0.75% to a total of 1.75%; and

WHEREAS, workers in the City already pay the $52.00 Local Services Tax to the City of Easton for City services; and
WHEREAS, the implementation of the new commuter tax could be considered an unfair imposition on workers because only employees would have to pay the tax increase, while those who own a particular company would not; and

WHEREAS, the implementation of the tax increase during the most difficult economic times in recent memory is an unfair imposition on workers who are already struggling to make ends meet; and

WHEREAS, the imposition of the commuter tax increase could also serve as a reason for companies to move their operation out of the City.

NOW, THEREFORE, BE IT RESOLVED that the Northampton County Council respectfully urges the Easton City Council to defeat any effort to implement the commuter tax for the reasons so stated herein.

Mr. Cusick stated he felt this was an example of taxation without representation. He further stated budgets involved choices and the employees of this County were now a target for attacks for which they had no control over. He noted the employees already paid a Local Services Tax and it was his understanding that tax was supposed to cover those services the employees received while they worked in the municipality.

Mr. Cusick advised he had always fought to keep the County operations in the City of Easton, however, he would no longer be able to make that argument because it would not be beneficial for the employees. He further advised he felt this was the wrong thing to do and County employees were being unfairly targeted.

Mr. McClure stated he agreed with Mr. Cusick and he also wondered why the Mayor of Easton or a member of his staff was not in contact with the County. He further stated in addition to all of the economic benefits that were derived by the City of Easton due to the County employees being here, there was a faction that wanted to take a lot of the County functions out of the City.
Mr. McClure advised he agreed this tax unfairly targeted County employees, which was particularly relevant when taking into consideration all the other things that the County and the City of Easton did together. He further advised he intended to support this resolution even though he was sympathetic to the City of Easton and its situation, but it would be interesting to see in the future what the County would be willing to do in order to demonstrate that this was not a course of action the City of Easton ought to be pursuing, adding they were being very shortsighted.

Mr. Werner stated he spoke to Mayor Salvatore Panto, Jr. because he was also concerned about this issue, noting he was not present because he was out of town, but he was hoping there would have been some representation. He further stated the City of Easton had a pension problem and this came about after pursuing all other legal options, noting it was indicative of just “band-aiding” problems and not fixing them.

Mr. Werner advised the City of Easton was doing what it had to do to survive and if it was going the way of Act 47, it was going to get a lot worse.

Mr. Cusick stated one of the failures of the State legislators was to address the State and municipal pension issues that a lot of the cities were facing. He further stated changes had to be made.

Mr. Stoffa advised the City of Easton’s pension fund was funded at 64% and the County’s was at 70% so it was not much better. He further advised the thing that bothered him about this was the purpose of the tax was for pensions.

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


The resolution was adopted by a vote of 8-0.
Consideration of the Gracedale Wound Care Team Resolution

Mr. Cusick stated at the request of Mr. McClure, a resolution was prepared which opposed the abolishment of the wound care team at Gracedale. He further stated the resolution was being co-sponsored by Mr. Kraft, Mr. Parsons, Mr. Werner and Mrs. Ferraro.

Mr. McClure introduced the following resolution:

R. 58-2012 WHEREAS, throughout the recent history of Gracedale the wound care team has gained the accolades from, and the respect of, families, health care professionals and health care facilities for providing a very high level of care that has helped Gracedale residents to have excellent skin condition; and

WHEREAS, the Gracedale Administration is currently considering disbanding the Gracedale wound care team; and

WHEREAS, disbanding the wound care team raises concerns with regard to the quality of care, safety and costs at Gracedale; and

WHEREAS, if the wound care team is disbanded it will essentially decentralize wound care at Gracedale. This could very well result in products, protocols, treatment modalities and documentation being altered and inconsistent, thereby adversely affecting patient care.

NOW, THEREFORE, BE IT RESOLVED it is the consensus of the Northampton County Council that the Gracedale wound care team should not be disbanded because it would likely compromise the high level of care received by Gracedale residents.

Mr. Gilbert advised he could not support this resolution until he had more information as to what action was going to be taken if this team was disbanded.

Mrs. Ferraro stated the wound and skin care of the residents was the pride of Gracedale for a very long time and if this team was disbanded, who was going to oversee the quality of that care. She further stated she supported the resolution, but agreed more information should be obtained.
Mrs. Ferraro made a motion to table this resolution and refer the matter back to the Human Services Committee and the Gracedale Advisory Board for further discussion.

Mr. Cusick seconded the motion.

Mr. Cusick called for the vote on the motion.


The motion failed by a vote of 4-4.

Mr. Dietrich advised a lot of nursing homes did not have a wound care team and in speaking with residents of other nursing homes, he learned they did not like to be taken out of their surroundings. He further advised the problem he had with the resolution was it went against all the hard work the County had done to create an organization of volunteer professionals who would look at Gracedale and provide insight as to its operation because if it was considered, it would bypass the whole process and excluded this group.

Mr. Parsons stated since this first came up for discussion, he had spoken to some health care professionals and they informed him that wound care was very vital and should not be taken lightly by nursing homes. He further stated he spoke to a couple of nurses at Gracedale and they were very concerned about what would happen if the wound team was disbanded so that was why he supported the resolution, however, he was not opposed to further discussion by the Gracedale Advisory Board and/or the Human Services Committee.

Mr. Kraft advised this issue arose more than two months ago and although the County did hire Premier Healthcare Resources to manage Gracedale, sometimes management needed direction and he felt this resolution provided that direction so that was why he was supporting it. He further advised he believed if these residents had to be moved off site to have their wounds taken care of, it was going to cost a lot more than hiring two people.

Mr. Gilbert stated he was also concerned that no one had informed them as to how Gracedale was going to move forward without a wound care team so he voted to table this resolution.
in order to provide an opportunity for them to provide a solution to wound care and the time line required.

Mr. Werner advised he agreed with Mr. Kraft, but he was disappointed the members of the Gracedale Advisory Board were not contacted directly about this issue. He further advised what he was hoping to hear was what Premier Healthcare Resources and the management at Gracedale had planned to proceed to take care of this situation.

Mr. Werner stated it appears that communication had broken down and he felt it was an insult that the Gracedale Advisory Board was not contacted. He further stated this was not just about dollars and cents, it was about life and he fully supported this resolution to make sure the wound care team was not disbanded.

Mr. McClure advised he appreciated his colleagues talking about the necessity to hear from the Gracedale Advisory Board and to get more information, but this issue had been out there for a while and no information was received. He further advised tabling this resolution would allow them to move this issue down the line toward disbanding the wound care team.

Mr. McClure stated if they felt that wound care at Gracedale was high quality, then vote for the resolution. He further stated for too long County Council did not pay enough attention to Gracedale, noting it was not micromanaging, it was their duty.

Mrs. Ferraro advised since the motion to table failed, she felt County Council must support this resolution and move forward because wound care was one of the things Gracedale could be proud of.

Mr. Dietrich stated if this resolution was adopted as presented, it shut off two mechanisms for discussion, therefore, he would like to make a motion to amend this resolution to read as follows:

"NOW, THEREFORE, BE IT RESOLVED it is the consensus of the Northampton County Council that the Gracedale wound care team should not be disbanded because it would likely compromise the high level of care received by Gracedale residents until further
reviewed by the Gracedale Advisory Board, the Human Service Committee and Northampton County Council.

Mr. Gilbert seconded the motion.

Mr. Cusick called for the vote on the motion.


The motion failed by a vote of 3-5.

Mr. Marcus advised he would encourage County Council to wait two weeks before voting on this resolution as there were things being said tonight that were not true. He further advised abolishing the wound care team as it currently existed did not mean that Gracedale was going to send people out for wound care.

Mr. Marcus stated sending residents out for wound care was never an option and there would continue to be a wound care coordinator. He further stated a letter was received from an individual who did not know this information and since being informed of it, he indicated he planned to send another letter acknowledging he was satisfied with the plans for the future.

Mr. Cusick advised the County hired a professional management company and he did not know enough about the operation of a nursing home to make these kinds of decisions. He further advised County Council unanimously voted for a Gracedale Advisory Board so he would like this issue processed through that body first so they could provide an opinion about what should be done.

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


The resolution was adopted by a vote of 5-3.
Discussion of the Commonwealth of Pennsylvania Human Services Policy and Budget Update

Mr. Cusick stated he had this item added to the agenda in response to an e-mail sent by the County Commissioners Association of Pennsylvania.

Mr. Marcus advised the budget was passed and there was a 10% reduction to seven programs that were included in the block grant. He further advised as part of the legislation, the provision that was supposed to be in there for a block grant was somewhat watered down and it was considered a pilot program with 20 Counties being allowed to participate.

Mr. Marcus stated the revised reporting procedures would apply to all 67 Counties, as well as the revised planning process, but only 20 Counties would be able to move money between funds and retain 3% of its unspent funds from one year to the next.

In response to Mrs. Ferraro’s question as to whether Northampton County was one of the 20, Mr. Marcus advised that had not been determined yet.

Mr. Marcus stated several Counties had raised the issue that their County was accepting additional liability by participating in the block grant because the State was transferring responsibility to them. He noted he gave a lot of different opinions to Mr. Karl Longenbach, County Solicitor, regarding this matter, who did not have an opportunity to review them.

Mr. Marcus advised another concern was how serious was the State about this program because it would be unfortunate to gear up for the block grant, make the changes and then have to change back to a categorical system. He further advised the State hoped to have guidelines available by July 20, 2012, so they were not even accepting applications to be a block grant County.

Mr. Marcus stated it was his understanding that County Council would have to approve their submission to become a block grant County.
In answer to Mr. Werner’s comment regarding the 4% restoration, Mr. Marcus advised that was for the nursing homes. He further advised the 4% cut to nursing homes was restored in the Medicaid part of the budget, which was a savings of approximately $1.5 million for the County.

In response to Mr. Cusick’s question as to whether he was going to revisit the issues of budget and personnel cuts due to the State budget, Mr. Marcus stated they would be revisiting them, but not because of the budget. He further stated the two funding streams in Developmental Programs and Aging were not impacted by the block grant because they were waiver funds, but in the very near future, he would be providing an update of their intentions in those divisions.

Economic Development Committee Report

Mrs. Ferraro advised the Economic Development Committee met earlier this evening and a resolution was passed tonight as a result of that meeting.

Mrs. Ferraro stated that Ms. Lori Sywensky, Community Development Administrator, gave a presentation on the 2012 Action Plan for Community Development Block Grants.

Finance Committee Report

Mr. Cusick advised the Finance Committee meeting, being held on July 18, 2012, will be focused on the Swaption termination and the issuing of bonds to complete the transaction.

Solicitor’s Report

Mr. Lauer stated he had one concern about the Swaption ordinance that was introduced and that was whether an ordinance prohibiting future activity by County Council was enforceable. He further stated he would look into the matter and report back at the next meeting.
Adjournment

Mrs. Ferraro made a motion to adjourn.

Mr. Kraft seconded the motion.

The motion passed by acclamation.

Frank E. Flisser
Clerk to Council