Easton, Pennsylvania                                      October 17, 2013

A regular meeting of the Northampton County Council was held on the above date with the following present: John Cusick, President; Margaret Ferraro, Vice-President; Thomas H. Dietrich; Bruce A. Gilbert; Kenneth M. Kraft; Lamont G. McClure, Jr.; Scott Parsons; Barbara A. Thierry; Robert 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. 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 October 3, 2013 meeting shall be approved.

Mrs. Thierry seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Mr. Justus James, 8762 South Loop Road, Slatington, PA stated he wanted to thank the County Executive for rescinding the healthcare policy that was to be instituted on all employees next year. He further stated the Affordable Health Care Act was complicated and would have to be reviewed to determine its impact.

Mr. James advised he hoped there would be more communication in the future between everyone so no one got blindsided again.
Mr. Sean Carson, 238 North Liberty Street, Nazareth, PA stated he was President of American Federation of State, County and Municipal Employees Local 1265 and he also wanted to thank everyone involved in rescinding the healthcare policy. He further stated by rescinding this, it gave him a voice to have his members in Juvenile, Court-appointed, Residual and Court-related Units work to support the taxpayers.

Confirmation of Appointments

Mr. Cusick advised the Personnel Committee met yesterday to review the County Executive’s re-appointments and appointments to the Conservation District and the Housing Authority.

Mr. Kraft introduced the following resolution:

R. 86-2013 RESOLVED, by the Northampton County Council that the following individuals shall be confirmed in their appointments/re-appointments as indicated hereafter:

CONSERVATION DISTRICT

Re-appointments:
(Farmer Director)
John Valkovec
585 English Road
Bath PA 18014

Margaret L. Ferraro
339 Schoeneck Avenue
Nazareth PA 18064

Term to Expire: 12/31/17

Term to Expire: 12/31/14

NORTHAMPTON COUNTY HOUSING AUTHORITY

Appointment:
Trula K. Davis
15 Wood Street, Apt. 411
Nazareth PA 18064

Term to Expire: 2/9/15
When Mr. Cusick asked Mrs. Ferraro if she was a board member as well as County Council's liaison to the Conservation District, Mr. John Stoffa, County Executive, indicated he would look into the matter.

In response to Mr. Parsons' question as to why these people were being considered before the terms expired because that became an issue when he was on a borough council, Mr. Kraft stated they were usually appointed or re-appointed a month or two before the expiration date.

Mr. Phil Lauer advised when these appointments/re-appointments were approved it was for a term to begin after the others expired so he did not see how that was unlawful, but he would review the issue.

Mr. Kraft stated if the board members were paid, it might make a difference, but these individuals volunteered and were not compensated.

Mr. McClure advised he believed the only time this would become an issue was if some action taken by the board was questionable, but Mr. Lauer would be issuing an opinion.

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

The vote: Kraft, "yes"; Dietrich, "yes"; Ferraro, "yes, but abstained on her re-appointment"; Gilbert, "yes"; McClure, "yes"; Parsons, "yes"; Thierry, "yes"; Werner, "yes" and Cusick, "yes".

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

County Executive's Report

Mr. Stoffa indicated he had no report this evening.
Polling Petition

Mr. Cusick stated a petition was received from the Bushkill Parent/Teacher Association to not have elections held at their school so he asked if the matter was looked into.

Mr. Thomas Harp, Director of Administration, advised it was too late to change the polling place at this time, but they would be attending the next Elections Commission meeting to express their opinions.

Mr. Kraft stated the State Supreme Court ruled elections could be held in the schools. He further stated if they were not held there then they would have to find other publicly owned buildings.

Mr. Stoffa advised Philadelphia had indicated it could not run elections without holding them in the schools.

Mrs. Ferraro stated Bushkill Township had contacted the Bushkill Fire Company and they were willing to allow the elections to be held there so she questioned why it could not be moved.

Mr. Stoffa advised most people knew where their schools were, there was enough parking, they were handicapped accessible and guns could not be brought in.

Mr. Kraft stated it was not that difficult to change a polling place, but elder residents were used to going to one place and had a hard time changing. He further stated the County had to be careful not to set a precedent because then more schools would want to be taken off the list.

Criminal Restitution Checks

Mr. Parsons advised a memorandum was received from President Judge Stephen Baratta regarding criminal restitution checks. He further advised there were several cars vandalized in the Slate Belt and people received checks for 16¢, 22¢ and one couple had two cars vandalized and received two checks for 16¢ each in separate envelopes so he agreed that something should be done with such minimal amount checks.
Mr. Stoffa stated unless it was a State law, they were going to stop sending out checks until they reached a reasonable sum.

Public Hearing on the Ordinance Providing for Amendments to Administrative Code Article XIV - Personnel

Mr. Cusick advised the following ordinance was introduced by Messrs. McClure and Kraft at the meeting held October 3, 2013 and was reviewed at the Personnel Committee meeting:

AN ORDINANCE AMENDING NORTHAMPTON COUNTY ADMINISTRATIVE CODE ARTICLE XIV PERSONNEL, AND PROVIDING FOR CERTAIN EMPLOYMENT PROHIBITIONS FOR COUNTY OFFICERS AND EMPLOYEES

WHEREAS, Northampton County Home Rule Charter Section 202 Powers (7) provides that the County Council shall have the power "to adopt, amend, and repeal the Administrative Code";

WHEREAS, Northampton County Home Rule Charter Section 602. Ordinances (a) Acts Required (1) provides that the County Council shall "adopt an ordinance for any act which adopts or amends the Administrative Code..."; and

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED by the Northampton County Council that Northampton County Administrative Code, Article XIV, PERSONNEL, shall be amended to read as indicated hereafter(sections marked with **bold underline** have been added and sections marked with ***strikeout*** have been deleted):

ARTICLE XIV

PERSONNEL

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Section 14.01  Purpose

The County Executive, in person or through subordinates, shall establish and administer the personnel management program consistent with the provisions of the Charter, this Code and rule and regulations adopted by resolution of County Council.

Section 14.02  Career and Exempt Service

a. Membership. Each elected official, officer, and employee shall be a member of either the career or exempt service. The exempt shall consist of:

(1) all elected officials;

(2) the heads of agencies immediately under the direction and supervision of the County Executive;

(3) one confidential or clerical employee for each of the above officials, except for members of the County Council;

(4) the Clerk of Council and the staff of the County Council;

(5) the members of authorities, boards, and commissions;

(6) permanent, part-time professional employees;
provisional, probationary, and temporary employees;

(8) Officers and employees required to be included in a state merit or civil service system; and

(9) Officers and employees whose inclusion in the career service would be prohibited by the law of Pennsylvania.

Except as may otherwise be provided in Section 14.08 for Judicial Employees, and Section 14.09 for Prison Employees, all other officers and employees shall be members of the career service.

Section 14.03 Merit Personnel System

a. Establishment. The merit personnel system applicable to all members of the career service shall be administered in accordance with applicable law, including the Charter, this Code, the career service regulations, the personnel rules, adopted pursuant thereto.

b. Members of State Civil Service System. Officers and employees required to be members of the state civil service system at the time of adoption of the Charter, shall be included as part of the Northampton County merit personnel system with respect to those areas of their employment not covered by the
Section 14.04  Rates of Pay

The rate of pay for officers and employees shall be at an amount provided in a pay schedule established by County Council. The movement of employees covered by the career service regulations, from step to step within pay ranges, and the assignment of classes to pay ranges shall be in accordance with the pay plan contained in the career service regulations and the personnel rules.

Section 14.05  Personnel Roster

The Personnel Director shall establish and maintain personnel records for all County officials and employees. Such records shall show for each official and employee the date of appointment, the title of the position, the rate of pay and rate changes, promotions, demotions, transfers, the time and cause of separations from County employment and any other information the Personnel Director considers necessary for a proper personnel record. Every appointment, pay change, promotion, demotion, status of the employee shall be reported to the Director in such manner as he may prescribe.
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Section 14.06 Disclosure of Records

Except as may be required by applicable law or order of the Court records of the Personnel Director shall not be open for public inspection.

Section 14.07 Surety Bonds

a. All elected officials and such other officers, agents or employees as County Council shall designate by resolution, shall give and acknowledge to the County fidelity and surety bonds acceptable to the County Solicitor as to form, content and in an amount determined by resolution of County Council. All other County officers or employees shall be covered by a blanket surety bond in the amount of at least $100,000.00.

b. The County Council shall by resolution, prescribe bonds for other individuals for whom it deems coverage is necessary.

Section 14.08 Judicial Employees

a. Membership. Judicial employees are those over whom the powers to hire or terminate or set any of the other terms and conditions of employment are vested by law in Judges of the Court of Common Pleas of Northampton County. Each judicial
employee shall be a member of either the career service or the exempt service.

b. Career and Exempt Service. For judicial employees, the exempt service shall consist of employees in the following job classifications:

(1) District Court Administrator, Associate Court Administrator, Minor Judiciary Administrator, confidential and clerical employees in the Court Administrators office;

(2) DUI Program Director;

(3) Law Librarian;

(4) Judicial Secretaries;

(5) Jury Clerks

(6) Official Court-Reporters;

(7) Court Officers;

(8) Mental Health Examiners and other special masters;

(9) Law Clerks to the Judges;

(10) Managerial and professional employees of the DUI Program, Juvenile Detention, Domestic Relations, Juvenile and Adult Probation; and

(11) Confidential or clerical employees for District - Magistrates.
All other judicial employees shall be included in the Career Service. The County Executive shall maintain a list of judicial employees in the career and exempt services which shall be submitted for approval to the Judges of the Court of Common Pleas of Northampton County.

Section 14.09 Prison Employees

a. Career and Exempt Service. The Warden of the Northampton County Prison shall be in the exempt service. All other employees of the Prison shall be included in the career service.

b. Prison Employees in the Career Service. The merit personnel system established by the Charter and this Code shall apply in all respects to prison employees in the career service.

c. Prison Employees in Exempt Service. The County Executive shall make all or part of the merit personnel system available to the Prison Commission for application to the exempt employees of the Prison.

14.10 Employment Prohibitions

a. Post-employment Prohibition. No officer or employee shall receive compensation from any entity that does business
with or has a contractual relationship with the County of Northampton for a period up to and including one (1) year following the termination of the employee from County service. Any entity who is found to be in violation of this section shall be found to be in breach of contract and shall be subject to the provisions of Administrative Code Sections 13.16 g. (13) (c) (1) (2) and (3). For the purposes of this section employee shall be defined as any person who has had during their tenure of employment with the County been a Department Director, a Division Director and/or has been administratively involved in, and has exercised discretion in, the awarding of a contract to the given entity.

b. Authorities, Boards, or Commissions. No officer or employee shall serve on any authority, board, or commission, or any such entity, that does business with and/or provides paid services to the County of Northampton for a period up to and including one (1) year following the termination of the employee from County Service.

Public Hearing

Mr. Cusick asked if there were any questions or comments from the public.

There were no respondents.
Mr. Cusick then asked if any member of County Council had any questions or comments.

Mr. McClure asked Mr. Lauer if he could provide his opinion regarding whether the action being taken was legal.

Mr. Lauer stated the Administrative Code already provided at Section 13.16 g. (12) that every contract the County entered into had to have a provision that the vendor agreed not to hire County personnel who had or would have discretion in deciding to award such a contract and that prohibition remained in effect for one year after any such employee terminated their service with the County.

Mr. Lauer advised it was in the Administrative Code under a section that defined what had to be in a County contract and it specifically provided a vendor's failure to abide by this shall constitute a breach of contract.

Mr. Lauer stated his understanding was the purpose of this ordinance sought to amend the Administrative Code to add essentially the same provision under Article XIV that dealt with personnel of the County. He further stated it was crystal clear with respect to the content of a contract that it had to be in there and now with respect to as what an employee could or could not do, it specified virtually the same thing. Therefore, he saw no harm or legal reason why the Administrative Code could not be amended to include it.

Mr. Lauer advised with respect to 14.10 (a), which essentially prohibited an officer or employee receiving compensation from an entity for a year after they left the County, there was no remedy for that individual provided here rather the remedy was the same remedy that was in Article XIII. He further advised the entity that employed that individual was deemed to be in violation of the Administrative Code and in breach of their contract and it specifically recited where the provisions of the Administrative Code were dealing with what happened when there was a breach of contract.

Mr. Lauer stated he did not see this amendment as more than additional articulation of the same principles in a different place and he did not believe them to be inappropriate or unlawful. He further stated it should be noted there was a
subsection (b) of this provision which applied the same concept to an authority, board or commission and provided that no officer or employee may serve on an authority, board or commission that did business with the County for a period up to and including one year following termination.

Mr. Cusick advised it was up to the County Solicitor to address the issue of a violation so he wondered how that would occur when the County Executive declined to pursue the matter.

Mr. Lauer stated he believed the Home Rule Charter and the Administrative Code clearly provided that the enforcement of County ordinances and regulations and any litigation was to be conducted by the County Solicitor, which was part of the Administration. He further stated he did not believe County Council was in the position to bring lawsuits to enforce this. He noted the wording of this additional provision said any entity which was found to be in violation of this section shall be found to be in breach of contract, but it was up to the Administration and County Solicitor to decide to bring action to enforce it.

Mr. McClure advised if the contract had to be approved and they would not enforce the law then the only power County Council had was not to approve the contract.

Mr. Dietrich stated he wondered how effective it was to put basically the same language in two areas of the Administrative Code. He further stated some services were provided by sole vendors so disapproving a contract may not be beneficial for the citizens of the County.

Mr. Cusick introduced a resolution amending this ordinance:

R. 87-2013 WHEREAS, Bill No. 649 of 2013, the ordinance titled, "AN ORDINANCE AMENDING NORTHAMPTON COUNTY ADMINISTRATIVE CODE ARTICLE XIV PERSONNEL, AND PROVIDING FOR CERTAIN EMPLOYMENT PROHIBITIONS FOR COUNTY OFFICERS AND EMPLOYEES" was introduced at the Northampton County Council meeting held October 3, 2013.

NOW, THEREFORE, BE IT RESOLVED By the Northampton County Council that Section 14.09, Prison Employees of Bill No. 649 of 2013 shall be amended as indicated hereafter:
Section 14.09 Prison Employees

a. Career and Exempt Service. The Warden Director of Corrections and the Public Safety Administrator of the Northampton County Prison shall be in the exempt service. All other employees of the Prison shall be included in the career service.

b. Prison Employees in the Career Service. The merit personnel system established by the Charter and this Code shall apply in all respects to prison employees in the career service.

c. Prison Employees in Exempt Service. The County Executive shall make all or part of the merit personnel system available to the Prison Commission for application to the exempt employees of the Prison.

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

The vote:  Cusick, "yes"; Kraft, "yes"; McClure, "yes"; Parsons, "yes"; Thierry, "yes"; Werner, "yes"; Dietrich, "yes"; Ferraro, "yes" and Gilbert, "no".

The resolution was adopted by a vote of 8-1.

Mr. Lauer advised Section 14.10 a. prohibited an officer or employee from receiving compensation and in the second sentence, it indicated any entity who or which was found to be in violation of this section. He further advised the entity was not violating this section, the employee or former employee was so he would suggest changing it.

Mr. McClure stated that according to Mr. Lauer, Section 14.10 was already a law of the County so he made a motion to delete it in its entirety as it was redundant and would only confuse the issue.

Mr. Kraft seconded the motion.

As there were no questions or comments, Mr. Cusick called for the vote on the motion.
The vote: McClure, "yes"; Kraft, "yes"; Thierry, "yes"; Werner, "yes"; Cusick, "yes"; Dietrich, "yes"; Ferraro, "yes"; Gilbert, "no" and Parsons, "yes".

The motion passed by a vote of 8-1.

Mr. Cusick asked if there were any questions or comments regarding the following amended ordinance:

AN ORDINANCE AMENDING NORTHAMPTON COUNTY ADMINISTRATIVE CODE ARTICLE XIV PERSONNEL, AND PROVIDING FOR CERTAIN EMPLOYMENT PROHIBITIONS FOR COUNTY OFFICERS AND EMPLOYEES

WHEREAS, Northampton County Home Rule Charter Section 202 Powers (7) provides that the County Council shall have the power "to adopt, amend, and repeal the Administrative Code";

WHEREAS, Northampton County Home Rule Charter Section 602. Ordinances (a) Acts Required (1) provides that the County Council shall "adopt an ordinance for any act which adopts or amends the Administrative Code..."; and

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED by the Northampton County Council that Northampton County Administrative Code, Article XIV, PERSONNEL, shall be amended to read as indicated hereafter (sections marked with **bold underline** have been added and sections marked with **strikeout** have been deleted):

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Section 14.01 Purpose

The County Executive, in person or through subordinates, shall establish and administer the personnel management program consistent with the provisions of the Charter, this Code and rule and regulations adopted by resolution of County Council.

Section 14.02 Career and Exempt Service

a. Membership. Each elected official, officer, and employee shall be a member of either the career or exempt service. The exempt shall consist of:

   (1) all elected officials;

   (2) the heads of agencies immediately under the direction and supervision of the County Executive;

   (3) one confidential or clerical employee for each of the above officials, except for members of the County Council;

   (4) the Clerk of Council and the staff of the County Council;

   (5) the members of authorities, boards, and commissions;

   (6) permanent, part-time professional employees;

   (7) provisional, probationary, and temporary employees;
(8) Officers and employees required to be included in a state merit or civil service system; and
(9) Officers and employees whose inclusion in the career service would be prohibited by the law of Pennsylvania.

Except as may otherwise be provided in Section 14.08 for Judicial Employees, and Section 14.09 for Prison Employees, all other officers and employees shall be members of the career service.

Section 14.03 Merit Personnel System

a. Establishment. The merit personnel system applicable to all members of the career service shall be administered in accordance with applicable law, including the Charter, this Code, the career service regulations, the personnel rules, adopted pursuant thereto.

b. Members of State Civil Service System. Officers and employees required to be members of the state civil service system at the time of adoption of the Charter, shall be included as part of the Northampton County merit personnel system with respect to those areas of their employment not covered by the state civil service system.
Section 14.04 Rates of Pay

The rate of pay for officers and employees shall be at an amount provided in a pay schedule established by County Council. The movement of employees covered by the career service regulations, from step to step within pay ranges, and the assignment of classes to pay ranges shall be in accordance with the pay plan contained in the career service regulations and the personnel rules.

Section 14.05 Personnel Roster

The Personnel Director shall establish and maintain personnel records for all County officials and employees. Such records shall show for each official and employee the date of appointment, the title of the position, the rate of pay and rate changes, promotions, demotions, transfers, the time and cause of separations from County employment and any other information the Personnel Director considers necessary for a proper personnel record. Every appointment, pay change, promotion, demotion, status of the employee shall be reported to the Director in such manner as he may prescribe.
Section 14.06 Disclosure of Records

Except as may be required by applicable law or order of the Court records of the Personnel Director shall not be open for public inspection.

Section 14.07 Surety Bonds

a. All elected officials and such other officers, agents or employees as County Council shall designate by resolution, shall give and acknowledge to the County fidelity and surety bonds acceptable to the County Solicitor as to form, content and in an amount determined by resolution of County Council. All other County officers or employees shall be covered by a blanket surety bond in the amount of at least $100,000.00.

b. The County Council shall by resolution, prescribe bonds for other individuals for whom it deems coverage is necessary.

Section 14.08 Judicial Employees

a. Membership. Judicial employees are those over whom the powers to hire or terminate or set any of the other terms and conditions of employment are vested by law in Judges of the Court of Common Pleas of Northampton County. Each judicial
employee shall be a member of either the career service or the exempt service.

b. Career and Exempt Service. For judicial employees, the exempt service shall consist of employees in the following job classifications:

(1) District Court Administrator, Associate Court Administrator, Minor Judiciary Administrator, confidential and clerical employees in the Court Administrators office;

(2) DUI Program Director;

(3) Law Librarian;

(4) Judicial Secretaries;

(5) Jury Clerks

(6) Official Court-Reporters;

(7) Court Officers;

(8) Mental Health Examiners and other special masters;

(9) Law Clerks to the Judges;

(10) Managerial and professional employees of the DUI Program, Juvenile Detention, Domestic Relations, Juvenile and Adult Probation; and

(11) Confidential or clerical employees for District Magistrates.
All other judicial employees shall be included in the Career Service. The County Executive shall maintain a list of judicial employees in the career and exempt services which shall be submitted for approval to the Judges of the Court of Common Pleas of Northampton County.

Section 14.09 Prison Employees

a. Career and Exempt Service. The Warden Director of Corrections and the Public Safety Administrator of the Northampton County Prison shall be in the exempt service. All other employees of the Prison shall be included in the career service.

b. Prison Employees in the Career Service. The merit personnel system established by the Charter and this Code shall apply in all respects to prison employees in the career service.

c. Prison Employees in Exempt Service. The County Executive shall make all or part of the merit personnel system available to the Prison Commission for application to the exempt employees of the Prison.

14.10 Employment Prohibitions

a. Post-employment Prohibition. No officer or employee
shall receive compensation from any entity that does business with or has a contractual relationship with the County of Northampton for a period up to and including one (1) year following the termination of the employee from County service. Any entity who is found to be in violation of this section shall be found to be in breach of contract and shall be subject to the provisions of Administrative Code Sections 13.16 g. (13) (e) (1) (2) and (3). For the purposes of this section employee shall be defined as any person who has had during their tenure of employment with the County been a Department Director, a Division Director and/or has been administratively involved in, and has exercised discretion in, the awarding of a contract to the given entity.

b. a. Authorities, Boards, or Commissions. No officer or employee shall serve on any authority, board, or commission, or any such entity, that does business with and/or provides paid services to the County of Northampton for a period up to and including one (1) year following the termination of the employee from County Service.

After Mr. Parsons asked if this meant an employee could not serve on an authority, board or commission, Mr. McClure advised it related to entities that the County did business with and the County did not do business with authorities, boards or
When Mr. Cusick asked if there were any employees who were in this position, Mr. Stoffa stated Ms. Alicia Karner, Economic Development Analyst and Ms. Lori Sywensky, Community Development Analyst from the Department of Community and Economic Development.

Mr. McClure advised the reason this issue arose was due to Mr. Ross Marcus, former Director of Human Services, going to work for the Community Action Committee of the Lehigh Valley and this was a way for County Council to prevent this type of occurrence in the future.

Mrs. Ferraro stated if these people were not be compensated to serve on these authorities, boards and commissions, she felt it served the County well to have knowledgeable individuals sitting on them to protect the taxpayers.

When Mr. Werner questioned whether County Council could handle these issues on a case by case basis, Mr. Dietrich advised he did not think it would be appropriate.

Mr. McClure stated this provided an opportunity for County Council to put a safeguard into the Administrative Code, noting that it was only for a one year time period.

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


The ordinance was adopted by a vote of 6-3.

Consideration of the 2013 Fall County Commissioners Association of Pennsylvania Conference (CCAP) Resolution

Mr. Cusick advised at his request, a resolution was drafted that would allow the reimbursement of any newly elected member of County Council for expenses due to their attendance at the CCAP Fall Conference.
Mr. Cusick introduced the following resolution:

R. 88-2013 RESOLVED By the Northampton County Council that any newly elected members of Council, who are elected at the November 2013 General Election, shall be invited to attend the 2013 County Commissioners Association of Pennsylvania Fall Conference and shall be reimbursed for their expenses from the 2013 County Council budget.

Mr. Cusick stated he felt this was important because two years ago there was a program specifically for newly elected Commissioners and Council members at this conference. He further stated it would be a good opportunity for a newly elected member to see how CCAP set its priorities and legislative agenda for the upcoming year and to sit in on the Pennsylvania Counties Risk Pool (PCoRP) meeting where it was explained how they came up with their rates and what they did to provide the services they did.

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

The vote: Cusick, "yes"; Dietrich, "yes"; Ferraro, "yes"; Gilbert, "yes"; Kraft, "yes"; McClure, "yes"; Parsons, "yes"; Thierry, "yes" and Werner, "yes".

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

Lehigh Northampton Airport Authority

Mr. Werner advised he would be meeting with the Lehigh Northampton Airport Authority at the end of the month if anyone wanted to join him.

Human Services Committee Report

Mr. Dietrich stated a Human Services Committee meeting was held earlier this evening and Premier presented their second year report. He further stated questions arose as to whether the County's auditors were holding them to a certain set of standards that were not recognized by other County operated
nursing homes, which caused some differences related to their revenues and liabilities. He noted if they were held to the 90 days standard, anything beyond the 90 days was not seen on their books so it looked like they were going to need more of a County contribution than what was budgeted. He further noted if they were allowed to use an accrual method, it would be a more accurate picture of their situation.

Mr. Dietrich advised they had to use two different accounting methods, which cost money because they had to come before County Council for additional funds before they actually knew if they needed them.

Mr. Parsons stated he planned to check with the County’s financial personnel and the auditors because it seemed Premier was saying they could not show their true financial situation because of the way they were audited.

Mr. Gilbert advised the auditors had to make sure Gracedale met the standards of the Governmental Accounting Standard Board and sometimes it resulted in the books being kept in two different ways.

Mr. Stephen Barron, Controller, stated the County only recognized revenue 90 days out so since Gracedale was a Special Revenue Fund, they could not recognize revenue further than that and it also made the County’s financial statements meaningful because everyone was being judged on the same standard. He further stated Gracedale could show the second number, but it would get confusing.

In response to Mr. McClure’s question as to whether Gracedale could legally base their budgetary predictions on their numbers, Mr. Barron advised he would have to give that some thought, but it could be dangerous depending on what they were predicting. He further advised one way the County could rectify the situation would be to remove Gracedale from the Special Revenue Funds and operate it as an authority.

Mr. Werner stated Gracedale’s one set of books was an accrual system and showed real numbers and what could possibly come in before the end of the year. He further stated the second set did not show the numbers and was causing all the problems because technically all businesses, and most of the
nursing homes, used the accrual method which showed all the numbers and allowed for back debt services to be written off.

Mr. Werner advised Premier had implemented a lot of new things and have worked extremely hard collecting debt service the County did not even know existed. He further advised he was 100% behind Mr. Parsons in removing the old auditing system and to use the system that worked and showed that Gracedale had in its escrow fund approximately $2 million and another $5-7 million of anticipated revenue.

Mr. Barron stated Gracedale was now bringing in people faster so that was also complicating the matter because they had to realize the expenses immediately, but the revenue could not be recognized at the same time.

Mr. McClure advised he believed the County should tread lightly in changing the accounting methods to make things look better.

Mr. Barron stated it destroyed the meaningfulness of the County’s financial statements and the County would lose control if Gracedale was put outside of the budget.

Mr. Werner advised his problem with the whole situation was there were real dollars sitting in accounts for Gracedale and he wanted that money known so when Gracedale was talked about, the public would get the true financial picture.

Mr. Barron stated there was nothing that prohibited the Administration from putting a footnote in a budget or financial statement to explain the situation.

Finance Committee Meeting Report

Mr. Cusick advised the Finance Committee met yesterday and the budgets of the Lehigh Valley Planning Commission, the Lehigh and Northampton Transportation Authority, the Solicitor’s Office and the Information Technology (IT) Division were reviewed.

Mr. Cusick stated Mr. Al Jordan, Xerox Director of Information Services, talked about some of the IT issues the County was facing. He further stated they were substantial and
important so they should be considered as they looked at budget amendments.

Mr. Cusick advised Mr. Barron discussed the Hotel Tax audits and he, along with Mr. Glenn Eckhart, Lehigh County Controller, should be commended because what they did was far and above what many controllers across the State did with regard to auditing hotel taxes.

Open Space Advisory Board Liaison Report

Mr. Parsons stated The Nature Conservancy had invited the members of the Open Space Advisory Board and County Council to attend a ceremony being held at Kirkridge on October 20, 2013.

Budget Hearing

Mr. Cusick advised a Budget Hearing pertaining to Courts and Corrections would be held at 4:30 p.m., on Wednesday, October 23, 2013.

Adjournment

Mrs. Thierry made a motion to adjourn.

Mr. McClure seconded the motion.

The motion to adjourn passed unanimously by acclamation.