Easton, Pennsylvania  
April 1, 2015

A regular meeting of the Northampton County Council was held on the above date with the following present: Glenn A. Geissinger, Vice-President; Mathew M. Benol; Kenneth M. Kraft; Lamont G. McClure, Jr.; Scott Parsons; Hayden Phillips; Seth Vaughn (via telephone); Robert F. Werner; Linda M. Zembo, Clerk to Council, and Joshua Fulmer, Acting Solicitor to Council. Absent was Margaret L. Ferraro, President and Philip D. Lauer, Solicitor to Council.

Prayer

Mr. Geissinger led County Council in a prayer to open the meeting.

Pledge of Allegiance

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

Approval of the Minutes

Mr. Kraft made the following motion:

Be It Moved By the Northampton County Council that the minutes of the March 19, 2015 meeting shall be approved.

Mr. Parsons seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Mr. Geissinger asked if there was anyone from the public who wished to offer comments.

There were no respondents.
County Executive's Report

Mr. John A. Brown, County Executive, advised he did not have anything to report.

Public Hearing on the Ordinance Amending Northampton County Ordinance No. 526-2010 Also Known As The Northampton County Governmental Accounting Standards Board Statement No. 54 Fund Balance Policy Ordinance

Mr. Geissinger stated the following ordinance was introduced by he and Mr. Phillips at the meeting held on March 19, 2015:

AN ORDINANCE AMENDING NORTHAMPTON COUNTY ORDINANCE NO. 526-2010 ALSO KNOWN AS THE NORTHAMPTON COUNTY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 FUND BALANCE POLICY ORDINANCE

WHEREAS, Ordinance No. 526-2010, the ordinance titled, "AN ORDINANCE ESTABLISHING THE COUNTY OF NORTHAMPTON GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 (GASB No. 54) FUND BALANCE POLICY; PROVIDING SEVERABILITY; REPEALER AND EFFECTIVE DATE," was enacted by the Northampton County Council on November 19, 2010.

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED by the Northampton County Council that, Ordinance No. 526-2010, the ordinance titled, "AN ORDINANCE ESTABLISHING THE COUNTY OF NORTHAMPTON GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 (GASB No. 54) FUND BALANCE POLICY; PROVIDING SEVERABILITY; REPEALER AND EFFECTIVE DATE," shall be amended as indicated hereafter (sections marked with bold underline have been added and sections marked with strikeout have been deleted):

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

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

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

Section II. DEFINITIONS

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

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

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

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

D. Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (ordinance) of the Northampton County Council, the County's highest level of decision making authority. Commitments may be changed or lifted only by the Northampton County Council taking the same formal action (ordinance) that imposed the constraint originally. Resources accumulated pursuant to
stabilization arrangements sometimes are reported in this category.

E. Assigned Fund Balance - Includes spendable fund balance amounts established by management of the County Executive or Director of Fiscal Affairs that are intended to be used for specific purposes that are neither considered restricted or committed.

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


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

SECTION III. PURPOSE

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

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

C. This Fund Balance Policy establishes:

1. Fund balance policy for the General Fund;

2. Reserves **Classifications** of fund balance for the General Fund;

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

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

SECTION IV. FUND BALANCE POLICY (GENERAL FUND)

A. **RESTRICTED NON-SPENDABLE FUND BALANCE**

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

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

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

D-C. COMMITTED FUND BALANCE

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

   (a) major maintenance and repair projects;
   Accumulating resources pursuant to a financial stabilization arrangement.

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

   (c) accumulating resources pursuant to stabilization arrangements;

   (d) establishing reserves for disasters; and/or

   (e) for setting aside amounts for specific projects.

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

1. Assignment of fund balance may be:

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

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

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

D-E. NON-SPENDABLE UNASSIGNED FUND BALANCE

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

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

E. MINIMUM LEVEL OF UNASSIGNED FUND BALANCE

1. Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.
2. If, after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 5% of General Fund budgeted operating expenditures, the Director of Fiscal Affairs will so advise the Northampton County Council in order for the necessary action to be taken to restore the unassigned fund balance to 5% of General Fund budgeted operating expenditures.

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

SECTION V. RESERVATIONS CLASSIFICATIONS OF FUND BALANCE (GENERAL FUND)

A. COMMITTED FUND BALANCE

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

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

2. Future Obligations - The Future Obligations Fund Balance is committed by the Northampton County Council, who entered into a swap contract on July 8, 2004. The counter party has the option to exercise the agreement on October 1, 2012. The calculated future net settlement required by the swap is a future obligation. The balance of
the Financial Stabilization Fund will be maintained at a minimum of 5% of current year budgeted general fund expenditures, including transfers out. The Financial Stabilization Fund is not to exceed 15% of current year, budgeted general fund expenditures, including transfers out.

3. It will be the responsibility of Northampton County's Director of Fiscal Affairs to report the current Committed Fund Balances in the County's Quarterly Financial Statements. Additions to the financial stabilization fund will occur by:

(a) An increase in additional real estate tax levied annually, or

(b) Commitment by ordinance of excess unassigned fund balance upon completion of the annual audit as described in Section VI, C.

4. The Financial Stabilization Fund will be available to fund a catastrophic event such as a natural disaster, disaster related event or unanticipated expenditure requirements such as, an unforeseen major building or bridge structural failure. Such an event must be of an unusual or infrequent nature.

5. The Financial Stabilization fund will only be accessed when the result of the emergency expenditures would likely exceed 2% of current year, budgeted general fund expenditures, including transfers out.

6. The Financial Stabilization fund cannot be considered in whole or in part, as available funds approval of the annual budget.

7. Appropriations from the Financial Stabilization fund may only be made by ordinance with 2/3 vote of the Northampton County Council.

8. The ordinance requesting appropriations from the Financial Stabilization funds must, at a minimum, include the following:
(a) Dollar amount requested.

(b) A description of the emergency situation requiring the appropriations.

(c) A description of the consequences of not releasing the funds.

(d) The dollar amount remaining in the Financial Stabilization Fund after the proposed appropriations of funds.

9. The County must begin to restore the Financial Stabilization Fund in the year following its use. The County Executive will prepare and submit a plan for a reduction of assigned fund balance, expenditure reductions and/or revenue increases to the Northampton County Council. County Council shall take action necessary to restore financial stabilization fund to the minimum balance within two (2) years. Additionally, the Northampton County Council shall take action necessary to replace all the appropriated funds within three-five (3-5) years.

10. It will be the responsibility of Northampton County's Director of Fiscal Affairs to report the current Financial Stabilization Fund Balance in the County’s Quarterly Financial Statements.

B. ASSIGNED FUND BALANCE

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

1. Assignment to Subsequent Year's Budget - The subsequent year's budgetary fund balance reserve is assigned by the County management Executive as set forth in the annual budget (and any amendments thereto) to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues,
2. Assignment to Encumbrances - The Northampton County Home Rule Charter provides for capital expenditure appropriations to continue in force until the purpose for which it was made has been accomplished or abandoned, within a three year period from inception.

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

SECTION VI. BUDGETING

A. APPROPRIATION OF UNRESTRICTED FUND BALANCE

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

B. ESTIMATED BEGINNING FUND BALANCE.

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

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

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

3. If, after the annual audit, the actual General Fund unassigned fund balance is greater than 10% of budgeted operating expenditures, including transfers out, in the General Fund, the excess may be used in one or a combination of the following ways:

   (a) **Committed, in accordance with the funding policy in Section V, to increase the financial stabilization fund; or**

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

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

   (d) **Committed to increase a formal stabilization arrangement or reserve (including, but not limited to, economic stabilization, contingency reserves or disaster reserves), or**
(d) Appropriated for start-up expenditures of new programs undertaken at mid-year, provided that such action is considered in the context of council-approved multi-year projections of revenues and expenditures.

SECTION VII. SPENDING ORDER OF OPERATING REVENUES AND FUND BALANCES

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

SECTION VIII. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE POLICY

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

SECTION IX. ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITIES

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

SECTION X. EFFECTIVE DATE

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

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

SECTION XII.  SEVERABILITY

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

Public Hearing

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

There were no respondents.

Mr. Geissinger asked if there were any questions or comments from the members of County Council.

Mr. Phillips delivered a power point presentation at this time (see Attachment #1).

Mr. Phillips advised this ordinance would address problems of insufficient control over the Stabilization Fund, which was necessary to secure and maintain investment grade credit ratings, meet seasonal shortfalls in cash flow and reduce susceptibility to emergencies. He further advised in 2011, the County had a Fund Balance of $60 million and in 2014, it was $8 million. He noted in 2013, an attempt was made to maintain a Stabilization Fund of $25 million, but as the money was not in a committed fund, it was spent.

Mr. Phillips stated the financial reserve had been set at $11.1 million for 2013 and included in the Unassigned Fund Balance, but as no specific criteria had been established under the ordinance for additions or spending of the reserve amount, this fund balance was not reported as a Committed Fund Balance.
Mr. Phillips advised in 2014, the Stabilization Fund was $8.2 million, which was under the $11.5 million required by the current ordinance, and would probably be addressed in the auditor’s report. He then reviewed the breakdown structure of the Fund Balance.

Mr. Phillips explained some of the conditions of a committed Stabilization Fund as recommended by the Government Financial Officers Association. He stated the fund had to remain at 5-15% of the current year budgeted General Fund (including transfers out). He further stated it would be funded by last year’s adopted 1 mill real estate tax increase and the adoption of an ordinance of excess Unassigned Fund Balance upon completion of the annual audit.

Mr. Vaughn called in at this time.

Mr. Phillips advised if after the annual audit the Unassigned Fund Balance was greater than 10% of the budgeted operating expenditures (including transfers out), a decision would have to be made to use the funds to increase the Stabilization Fund, leave them in an Unassigned Fund Balance, use them for a one time expenditure or opportunity that would not increase operating costs or use them as start-up expenditures for new programs undertaken at mid-year provided such action was considered in the context of a County Council approved multi-year projections of revenue and expenditures.

Mr. Phillips stated the order of spending would be for Federal revenue, State revenue, County revenue, Assigned Fund Balance and then Unassigned Fund Balance.

In answer to Mr. McClure’s question as to whether his percentage of 5-15% was on General Government or the whole budget, Mr. Phillips advised it was on General Government.

Mr. Parsons stated the 2014 budget anticipated the County would have a fund balance of $11 million. He further stated in October 2014, the Administration anticipated having $21 million and ended up with $28 million.

Mr. Parsons advised the County Executive planned to balance the budget with a $20 million line of credit, which he indicated he did not plan to use, but wanted as a safe guard. He further advised after that was determined not to be legal, County Council was presented and adopted a budget that took $19 million out of the Fund Balance. He noted if no money was spent from
the Fund Balance, it was anticipated that at the end of 2015, it would be $35 million.

Mr. Parsons stated the County was into the third month of 2015 and it did not look like the whole $19 million was going to be spent, however, if it was spent, the balance would be $15 million.

Mr. Parsons advised he was not against putting money into the Stabilization Fund, but he wanted everyone aware that was still money available to the County so consideration should be given to putting more money into the Stabilization Fund.

Mr. Geissinger stated because the County was working within the constraints of a budgetary process that dictated how those funds could be looked at, the $19 million allocated in the budget must remain without consideration until April of next year. He further stated consideration would then have to be given to the 2016 budget and whether or not the expenditures would go there as certain expenditures continued to increase. He added that was why this ordinance had a minimal and maximum amount built into the fund and once that fund was completed, it would no longer be funded.

In answer to Mr. Brown’s comment that the 1 mill tax increase would have to be in effect until the Stabilization Fund reached 15%, Mr. Phillips advised if the County remained at the minimal amount to be in compliance with this ordinance, no further contribution would have to be made.

In response to Mr. Benol’s request for clarification, Mr. Geissinger said once this ordinance was adopted, the $7.6 million would be put into the Stabilization Fund.

In answer to Mr. McClure’s question as to why the reason for a two thirds majority vote, Mr. Phillips advised to make sure there was a super will of County Council.

Mr. McClure stated two thirds vote was usually used for extraordinary measures, but generally an ordinance could be adopted by a majority vote. He further stated sometimes there may be an emergency and the County Executive would need to act very quickly and County Council may not be able to get a super majority together so he would like to make a motion to amend the ordinance to require a simple majority vote of County Council.
Mr. Kraft seconded the motion.

Mr. Phillips advised he believed there would be a two third majority if there was an emergency spend so he would like to keep it as presented.

Mr. McClure stated there was currently a partisan split of 5-4 and he could see a situation where four members could hold up a transfer if there was a conflict over the meaning of the emergency.

Mr. Geissinger advised he understood both positions, but being it was an emergency situation, he did not think County Council would be foolish enough to hold it up, but he would favor Mr. McClure's amendment.

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

The vote: McClure, "yes"; Kraft, "yes"; Phillips, "no"; Vaughn, "no"; Werner, "yes"; Benol, "no"; Parsons, "yes"; Geissinger, "yes".

The motion passed by a vote of 5-3.

Mr. Kraft stated he had a problem with raising taxes to place in a piggy bank and not allowing the County Executive to use the money for operational expenses.

Mr. Geissinger advised it was not a piggy bank, but a requirement under the original ordinance so it was being amended to provide a true Stabilization Fund because if the money was spent down, the County could be cited by its auditors.

Mr. Kraft stated any spending the County Executive wanted to do above the budget would have to come to County Council for approval through a budget amendment.

Mr. Geissinger advised the County was already out of compliance with its own ordinance.

Mr. Kraft stated he did not believe the money would be spent down as the year was almost a quarter over and there were 200 people missing from the payroll.
Mr. Geissinger advised the County would be cited by the auditors because it was not in compliance with the Governmental Accounting Standards Board (GASB).

Mr. McClure stated there was approximately $30 million in the Fund Balance and he did not think there was a requirement in GASB-54 that there had to be money in a lock box. He further stated he did not think taxes should be raised to please Wall Street or accountants.

Mr. Geissinger advised he believed the taxpayers wished the County kept the $60 million it had four years ago, but prior County Councils failed to do so and now there was a situation where financial stability had to be put back into the County. He further advised if the County went out tomorrow to raise money, which it was going to have to do in the near future, a Stabilization Fund would help to protect the County’s credit rating to obtain funds at a reasonable interest rate.

Mr. McClure stated there was approximately $30 million that was going to grow with or without the tax increase and this was just to cover for it so he did not think it was necessary. He further stated the $60 million represented a gentlemen’s agreement between former County Council member Ron Angle and former County Executive John Stoffa and was not based on anything other than that it was the number Mr. Angle thought it should be. He noted he did agree there should be 5-15% in the fund.

Mr. Geissinger advised he was not saying there had to be $60 million, but at one point there was $60 million and between then and now it was spent.

Mr. Kraft stated the previous County Council also failed to pay off the Swaption and if it was not paid off when it was, there would be a $60 million deficit.

Mr. Geissinger agreed the Swaption was a mistake, but the previous County Executive twice asked for a tax increase in order to keep up with operating expenses and was denied.

Mr. Geissinger advised the County was $45 million in the hole on unfunded pension liability and there was $15 million in improvements that have been asked for to keep Gracedale going. He further advised they could either look to the future and plan for it or ignore it for political purposes.
Mr. McClure stated the County had one of the best pension funds in the State and if Mr. Geissinger thought there was a $45 million hole, which there was not, he was not looking to take any of the tax increase and putting it toward that, but locking it away.

Mr. Geissinger stated he was not debating the status of the fund, but it was only 85% funded. He further stated he was looking to establish stabilization to keep the County’s credit rating high because he did not want to see its infrastructure fail.

Mr. Doran Hamann, Budget Administration, advised he was here when the original ordinance was drafted with CliftonLarsonAllen and presented to County Council for approval. He further advised he read through the amendment and he had no problems with them. He further advised the original ordinance talked about one to two months of reserves, which calculated into million more dollars, as the minimum and maximum. He noted this ordinance took into consideration 5-15% would lessen the amounts and provided the ability for the County to be in compliance because there would be 5% in the Stabilization Fund at the end of 2015.

In response to Mr. Benol’s question as to whether this ordinance would help if down the road money had to be requested for capital improvements, Mr. Hamann stated if it was deemed necessary to go into the bond market, the bond rating the County received was very critical to the price paid for the bonds.

In answer to Mr. Werner’s question as to whether the County’s pension plan was 85% funded, Mr. Hamann advised the latest report showed it was 82%. He further advised in 2008, the County funded the pension at 100%, but then it dropped to approximately 60% and now it was gradually coming back.

In response to Mr. Werner’s question as to what was the current Fund Balance, Mr. Hamann stated the unaudited Fund Balance for 2014 was $28 million. He further stated a lot of things came into play during 2014 and the question for 2015 was how much of the $20 million the County was going to need.

In answer to Mr. Werner’s question as to where the County would be financially if it had not paid off the Swaption, Mr. Hamann replied if the County would have waited until October 1st, the buyout would have been an additional $2 million.
Mr. Geissinger advised expenses were going to continue to increase, infrastructures had to be addressed and the employees whom worked hard deserved an increase in their wages so he would like to see a little put away today to save a great deal in the future.

Mr. McClure stated bond ratings were based on more than a fund balance. He further stated they also looked at whether taxes were raised and this body just raised them.

Mr. Parsons advised he was going to vote for this ordinance because he believed in a year, there was going to be a significant amount of money that could be put into this fund to make sure it was stabilized. With regard to past County Councils, he believed all members acted in the best interest of the citizens of the County.

In response to Mr. Kraft's comment that he did not believe Mr. Vaughn could vote because he was not a participant from the beginning of the presentation, Mr. Fulmer stated he was a participant during most of the presentation, but more importantly during the entire discussion so he did not think it was an issue.

As there were no further questions or comments, Mr. Geissinger called for a vote on the following amended ordinance:

AN ORDINANCE AMENDING NORTHAMPTON COUNTY ORDINANCE NO. 526-2010 ALSO KNOWN AS THE NORTHAMPTON COUNTY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 FUND BALANCE POLICY ORDNANCE

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

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

C. Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
D. Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (ordinance) of the Northampton County Council, the County's highest level of decision making authority. Commitments may be changed or lifted only by the Northampton County Council taking the same formal action (ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

E. Assigned Fund Balance - Includes spendable fund balance amounts established by management of the County Executive or Director of Fiscal Affairs that are intended to be used for specific purposes that are neither considered restricted or committed.

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


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

SECTION III. PURPOSE

A. The County hereby establishes and will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.
B. A Fund Balance Policy is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the County, in accordance with policies established by the Northampton County Council.

C. This Fund Balance Policy establishes:

1. Fund balance policy for the General Fund;

2. Reservations **Classifications** of fund balance for the General Fund;

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

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

SECTION IV. FUND BALANCE POLICY (GENERAL FUND)

A. **RESTRICTED NON-SPENDABLE FUND BALANCE**

There is no restricted fund balance in the General Fund. Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation will be budgeted and reported in special revenue funds, capital project funds or debt service funds.
Non-spendable fund balance is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and, items legally or contractually required to be maintained intact such as the corpus (or principal) of a permanent fund.

B. RESTRICTED FUND BALANCE

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

B.C. COMMITTED FUND BALANCE

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

   (a) major maintenance and repair projects; 
   Accumulating resources pursuant to a financial stabilization arrangement.

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

   (c) accumulating resources pursuant to stabilization arrangements;

   (d) establishing reserves for disasters; and/or

   (e) for setting aside amounts for specific projects.

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

G-D. ASSIGNED FUND BALANCE

1. Assignment of fund balance may be:

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

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

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

D-E. NON-SPENDABLE UNASSIGNED FUND BALANCE

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

1. Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.
E. MINIMUM LEVEL OF UNASSIGNED-FUND BALANCE

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

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

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

SECTION V. RESERVATIONS CLASSIFICATIONS OF FUND BALANCE (GENERAL FUND)

A. COMMITTED FUND BALANCE

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

1. Financial Stabilization - The Financial Stabilization Fund Balance is committed by the Northampton County Council as set forth recommended by the GFOA who recommends, at a minimum, that General Purpose Governments, regardless of size maintain no less than one or two months of regular General Fund budgeted operating expenditures. A government's particular situation may require levels of reserves in the General Fund significantly in
2. Future Obligations — The Future Obligations Fund Balance is committed by the Northampton County Council, who entered into a swap contract on July 8, 2004. The counter party has the option to exercise the agreement on October 1, 2012. The calculated future net settlement required by the swap is a future obligation. The balance of the Financial Stabilization Fund will be maintained at a minimum of 5% of current year budgeted general fund expenditures, including transfers out. The Financial Stabilization Fund is not to exceed 15% of current year, budgeted general fund expenditures, including transfers out.

3. It will be the responsibility of Northampton County's Director of Fiscal Affairs to report the current Committed Fund Balances in the County's Quarterly Financial Statements. Additions to the financial stabilization fund will occur by:

(a) An increase in additional real estate tax levied annually, or

(b) Commitment by ordinance of excess unassigned fund balance upon completion of the annual audit as described in Section VI, C.

4. The Financial Stabilization Fund will be available to fund a catastrophic event such as a natural disaster, disaster related event or unanticipated expenditure requirements such as, an unforeseen major building or bridge structural failure. Such an event must be of an unusual or infrequent nature.

5. The Financial Stabilization fund will only be accessed when the result of the emergency expenditures would likely exceed 2% of current year, budgeted general fund expenditures, including transfers out.

6. The Financial Stabilization fund cannot be considered in whole or in part, as available funds approval of the annual budget.
7. Appropriations from the Financial Stabilization fund may only be made by ordinance with a majority vote of the Northampton County Council.

8. The ordinance requesting appropriations from the Financial Stabilization funds must, at a minimum, include the following:

(a) Dollar amount requested.

(b) A description of the emergency situation requiring the appropriations.

(c) A description of the consequences of not releasing the funds.

(d) The dollar amount remaining in the Financial Stabilization Fund after the proposed appropriations of funds.

9. The County must begin to restore the Financial Stabilization Fund in the year following its use. The County Executive will prepare and submit a plan for a reduction of assigned fund balance, expenditure reductions and/or revenue increases to the Northampton County Council. County Council shall take action necessary to restore financial stabilization fund to the minimum balance within two (2) years. Additionally, the Northampton County Council shall take action necessary to replace all the appropriated funds within three-five (3-5) years.

10. It will be the responsibility of Northampton County's Director of Fiscal Affairs to report the current Financial Stabilization Fund Balance in the County's Quarterly Financial Statements.

B. ASSIGNED FUND BALANCE

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

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

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

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

SECTION VI. BUDGETING

A. APPROPRIATION OF UNRESTRICTED FUND BALANCE

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

B. ESTIMATED BEGINNING FUND BALANCE.

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

C. ESTIMATED ENDING FUND BALANCE

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

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

3. If, after the annual audit, the actual General Fund unassigned fund balance is greater than 10% percent of budgeted operating expenditures, including transfers out, in the General Fund, the excess may be used in one or a combination of the following ways:

(a) Committed, in accordance with the funding policy in Section V, to increase the financial stabilization fund; or

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

(c) Appropriated by ordinance of the Northampton County Council for a one-time expenditure or opportunity that does not increase recurring operating costs; or
(c) Committed to increase a formal stabilization arrangement or reserve (including but not limited to economic stabilization, contingency reserves or disaster reserves), or

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

SECTION VII. SPENDING ORDER OF OPERATING REVENUES AND FUND BALANCES

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

SECTION VIII. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE POLICY

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

SECTION IX. ADDITIONAL INFORMATION, REQUIREMENTS AND RESPONSIBILITIES

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

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

SECTION XI. REPEALER

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

SECTION XII. SEVERABILITY

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


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

Consideration of Act 13 Funds for the Construction of Section of the Delaware and Lehigh Trail Between the Boroughs of North Catasauqua and Northampton Resolution

Mr. Geissinger advised at the request of Mr. Bryan Cope, Open Space Coordinator, a resolution was drafted to allow Act 13 Funds to be used for the construction of a section of the Delaware and Lehigh Trail between the Boroughs of North Catasauqua and Northampton.

Mr. Parsons introduced the following resolution:
WHEREAS, at the meeting held November 4, 2004, the Northampton County Council adopted Ordinance #423-2004, the ordinance titled, "AN ORDINANCE ESTABLISHING THE NORTHAMPTON COUNTY 21ST CENTURY OPEN SPACE INITIATIVE, ACCEPTING THE REPORT OF THE NORTHAMPTON COUNTY COUNCIL OPEN SPACE COMMITTEE PREPARED WITH THE ASSISTANCE OF THE LEHIGH VALLEY PLANNING COMMISSION, CREATE THE NORTHAMPTON COUNTY OPEN SPACE ADVISORY BOARD AND ESTABLISHING ITS DUTIES, AND PROVIDING FOR THE ADMINISTRATION OF THE OPEN SPACE INITIATIVE.'" The Northampton County 21st Century Open Space Initiative Guidelines were subsequently amended via the enactment of Ordinances #468-2007, #533-2011, #522 of 2012, and 559-2012; and

WHEREAS, the County of Northampton desires to assist in the funding of constructing a 1.3 mile section of the Delaware and Lehigh Trail between the Borough of North Catasauqua and Northampton within the County of Northampton; and

WHEREAS, the Lehigh Valley Planning Commission has identified this section of trail as a key trail gap within the Lehigh Valley Trail Inventory, 2013 report; and

WHEREAS, the Borough of North Catasauqua would be an applicant to the Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program trail construction grant and would oversee all grant and construction work to complete a 1.3 mile section of the Delaware and Lehigh Trail between the Borough of North Catasauqua and Northampton within the County of Northampton; and;

WHEREAS, the costs of constructing the trail would be dependent on securing a Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program grant funds; and

WHEREAS, funds have been acquired by the Delaware and Lehigh National Heritage Corridor, Inc. through the Pennsylvania Department of Community and Economic Development; and

WHEREAS, the matching grant funding of $100,000 from the County of Northampton would be taken out of Act 13 Marcellus Shale Legacy Funding which the County has already incorporated into the 2015 Budget; and
WHEREAS, at the meeting held February 12, 2015, the Northampton County Open Space Advisory Board unanimously supported the funding to the Borough of North Catasauqua for a Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program grant.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Northampton County supports:

(1) the funding for the construction of the Delaware and Lehigh Trail in the Boroughs of North Catasauqua and Northampton
(2) the use of Act 13 Marcellus Shale Legacy Funding to help pay for the costs of developing the trail.

In answer to Mr. Phillips' question as to whether this money was in the budget, Mr. Parsons stated it was a fund set up from the Marcellus Shale impact fee and was distributed with certain restrictions.

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

The vote: Parsons, "yes"; Geissinger, "yes"; Kraft, "yes"; McClure, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes" and Benol, "yes".

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

Consideration of Act 13 Funds for a Northern Tier Trail Feasibility Study Resolution

Mr. Geissinger advised at the request of Mr. Cope, a resolution was drafted to allow Act 13 Funds to be used for a feasibility study for a Northern Tier Trail.

Mr. Parsons introduced the following resolution:

THE ADMINISTRATION OF THE OPEN SPACE INITIATIVE." The Northampton County 21st Century Open Space Initiative Guidelines were subsequently amended via the enactment of Ordinances #468-2007, #533-2011, #522 of 2012, and 559-2012; and

WHEREAS, the County of Northampton desires to create a Northern Tier Trail feasibility study, which will focus on a trail route through fourteen municipalities connecting the Lehigh River and Delaware River to other regional trail systems; and

WHEREAS, the Wildlands Conservancy would be an applicant to the Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program trail feasibility planning grant and would oversee all grant administration work to complete the Northern Tier Trail feasibility study; and

WHEREAS, the costs of completing the trail feasibility study would be dependent on securing a Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program grant funds; and

WHEREAS, the matching grant funding of $30,000 from the County of Northampton would be taken out of Act 13 Marcellus Shale Legacy Funding, which the County has already incorporated into the 2015 Budget; and

WHEREAS, at the meeting held February 12, 2015, the Northampton County Open Space Advisory Board unanimously supported the funding to the Wildlands Conservancy for a Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program trail feasibility planning grant.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Northampton County supports:

(1) the funding for the Northern Tier Trial feasibility study

(2) the use of Act 13 Marcellus Shale Legacy Funding to help pay for the costs of planning for the trail.

As there were no questions or comments, Mr. Geissinger called for the vote.
The vote: Parsons, "yes"; Kraft, "yes"; McClure, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes"; Benol, "yes" and Geissinger, "yes".

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

Introduction of the Ordinance Amending Ordinance No. 411-2003
Titled, "An Ordinance of the County Council of the County of Northampton, Pennsylvania, Requiring An Annual License/Permit Fee for Commercial Weighing, Measuring or Scanning Devices; Setting Forth Definitions; Establishing the Requirements for Obtaining a Permit; Setting Forth Penalties for Violation Thereof; and Establishing the Effective Date"

Mr. Geissinger stated at the request of the Administration, an ordinance was prepared to amend Ordinance No. 411-2003. He further stated the public hearing, debate and possible vote would be held at the April 16, 2015 meeting.

Messes. Werner and Parsons introduced the following ordinance:

AN ORDINANCE PROVIDING FOR AMENDMENTS TO NORTHAMPTON COUNTY ORDINANCE NO. 411-2003 TITLED, "AN ORDINANCE OF THE COUNTY COUNCIL OF THE COUNTY OF NORTHAMPTON, PENNSYLVANIA, REQUIRING AN ANNUAL LICENSE/PERMIT FEE FOR COMMERCIAL WEIGHING, MEASURING OR SCANNING DEVICES; SETTING FORTH DEFINITIONS; ESTABLISHING THE REQUIREMENTS FOR OBTAINING A PERMIT; SETTING FORTH PENALTIES FOR VIOLATION THEREOF; AND ESTABLISHING THE EFFECTIVE DATE"

WHEREAS, Ordinance No. 411-2003, titled, "AN ORDINANCE OF THE COUNTY COUNCIL OF THE COUNTY OF NORTHAMPTON, PENNSYLVANIA, REQUIRING AN ANNUAL LICENSE/PERMIT FEE FOR COMMERCIAL WEIGHING, MEASURING OR SCANNING DEVICES; SETTING FORTH DEFINITIONS; ESTABLISHING THE REQUIREMENTS FOR OBTAINING A PERMIT; SETTING FORTH PENALTIES FOR VIOLATION THEREOF; AND ESTABLISHING THE EFFECTIVE DATE" was duly enacted on November 6, 2009 and amended by Ordinance No. 512-2009, which was duly enacted on November 6, 2009.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED By the Northampton County Council that Ordinance No. 411-2003 shall be amended as indicated hereafter (sections marked with strikeout are being deleted and sections marked with bold underline are
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being added):

AN ORDINANCE OF THE COUNTY COUNCIL OF THE COUNTY OF
NORTHAMPTON, PENNSYLVANIA, REQUIRING AN ANNUAL
LICENSE/PERMIT FEE FOR COMMERCIAL WEIGHING, MEASURING
OR SCANNING DEVICES; SETTING FORTH DEFINITIONS;
ESTABLISHING THE REQUIREMENTS FOR OBTAINING A PERMIT;
SETTING FORTH PENALTIES FOR VIOLATION THEREOF; AND
ESTABLISHING THE EFFECTIVE DATE

WHEREAS, the County of Northampton and the Commonwealth of
Pennsylvania, Department of Agriculture have entered into a
Memorandum of Understanding pursuant to the Consolidated Weights
and Measures Act (3 Pa C.S.A. §4101 et seq.); and

WHEREAS, the Memorandum provides for the delegation of
powers and duties from the Commonwealth to the County for
various inspection responsibilities; and

WHEREAS, the County has determined that an annual
license/permit fee for each commercial weighing, measuring or
scanning device subject to the jurisdiction of the County Office
of the Division of Weights and Measures is necessary.

NOW, THEREFORE, it is hereby enacted and ordained by the
County Council of the County of Northampton, Pennsylvania, as
follows:

SECTION 1. Definitions

Division - Division of Weights and Measures, County of
Northampton

Fuel dispenser - A device designed for the measurement and
delivery of gasoline, diesel or kerosene fuel.

Person - A corporation, partnership, limited liability company,
business trust, other association, government entity (other than
the Commonwealth), estate, trust, foundation or natural person.

PLU device - Price look-up device - A device that can access a
database price file or retail price retrieval system. The term
includes bar code beam or contact scanners, Optical Character
Recognition (OCR) scanners or readers, magnetic scanners or
readers, alpha or numeric keyboards, or both, voice response
systems and computer based retail price retrieval systems.

Scale - Any weighing device.
Scanning device - A general term for any of the several types of PLU technologies capable of communicating with a database price file or retail price retrieval system. The term includes hardware, software and supporting computer systems.

Weights and measures - Weights and measures of every kind, instruments and devices for weighing and measuring and any appliances and accessories associated with any or all such instruments or devices.

Vehicle tank meter - A meter mounted on vehicle tanks including those used for the measurement and delivery of domestic petroleum products.

Timing device - A device used to measure the time during which a particular paid-for service is dispensed. Examples of timing devices are laundry driers, car-washing times and recorders.

SECTION 2. Permit Required

(a) Every person desiring to conduct, or continue to conduct any business, as herein defined, within the County of Northampton shall file prior to the commencement of such conduct, with the Division application for a device license/permit.

(b) Every person that operates or maintains a weighing, measuring, scanning or timing device for commercial purposes, including but not limited to fuel dispenser, vehicle tank meter, scale and/or PLU device, is required to obtain an annual license/permit for each device from the Division. Northampton County - Division of Weights and Measures. New or currently installed devices must be reported to the Weights and Measures office to obtain the proper permit.

(c) In cases where business is conducted in more than one place, a separate license/permit shall be issued for each place of business.

(d) Whenever any licensee under this article shall change the address of the business for which such license/permit is issued, the licensee shall immediately notify the Division of such change of address and the new address or location where the business will be conducted.
(e) Whenever the ownership of any such business shall be changed, the new owner, upon taking possession thereof, shall notify the Division of such fact within ten (10) days after such becomes effective.

(f) No license/permit issued under the provisions of this article shall be transferred or assigned to any other person, firm or corporation.

(g) Any licensee who is in default of payment of the device fee due hereunder shall be refused a license until such fee is paid in full.

SECTION 3. Requirements

The Division shall issue an annual device license/permit upon the following:

(1)(a) The applicant furnishes such information relative to the application for a device permit as the Division may require from time to time. completes the County of Northampton Application for Device License/Permit form.

(2)(b) The applicant pays the following annual license/permit fee for each weighing, measuring, or scanning and timing device as set forth on the Application for Device License/Permit form.

- **Fuel dispensers**: $25.00 per grade
  
  (1 MPD = 6 grades)

- **Vehicle Tank Meters**: $60.00 per meter on domestic fuel truck

- **LP-Gas Tank Meters** Liquid Petroleum Gas (CNG): $50.00 per meter

- **Scales**: used in commercial trade and/or non-commercial use but required by user to be inspected
  
  $25.00 per device—Up to 1,000 lbs. (Scale License A)

  $100.00 per device—Over 1,000 lbs. (Scale License B)

  Up to 1000 lbs. capacity $25.00 per scale (Scale License A)

  Over 1000 lbs. capacity $100.00 per scale (Scale License B)
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- Universal Product Code (UPC) scanning systems/Price Look-Up (PLU) device
  - $50.00 per system 3 or less checkouts per location (UPC/PLU License A)
  - $100.00 per system 4 to 6 checkouts per location (UPC/PLU License B)
  - $200.00 per system 7 or more checkouts per location (UPC/PLU License C)

Grain Moisture Meters: $25.00 per meter
Coin Counting Devices: $50.00 per device
Timing and Fabric Devices: $5.00 per device

Fabric Devices: $5.00 per device

SECTION 4. Penalties

Any person violating any provision of the Ordinance shall, upon conviction thereof at a summary proceeding, be sentenced to pay a fine of One Hundred Dollars ($100.00) per violation, to be paid to the use of the County, with the cost of prosecution, or to be imprisoned in the County Correction Facility for not more than thirty (30) days, or both.

SECTION 5. Constitutionality

In the event that any provision of this Ordinance shall be declared unconstitutional or otherwise invalid by any court or other forum of appropriate jurisdiction, the remainder of this Ordinance shall remain in effect.

SECTION 6. Rules and Requirements

The Division of Weights and Measures shall, from time to time, establish rules and regulations for the implementation of this Ordinance.

SECTION 7. Effective Date

This ordinance shall become effective January 1, 2010, thirty days after date of enactment.
Questions for the County Executive

Mr. Parsons advised he read in the newspaper that in his State of County Address, Mr. Brown mentioned there were employees who thought they were “sacred cows” so he asked him to explain that comment.

Mr. Brown stated he did not use that term to describe the employees. He further stated that term was used typically within organizations for things that were not allowed to be touched or looked out in terms of valuation.

In response to Mr. Parson’s question as to whether he believed in transparency in government, Mr. Brown replied he did.

In answer to Mr. Parsons’s question as to whether raises had been given to individuals in the Administration from when they started with the County, Mr. Brown advised he would have to look at that information.

Mr. Werner stated he had requested a list of all reclassifications and salary increases given by the Administration and he had not received a reply.

Mr. Brown advised he thought that request was responded to, but he would check on it.

In response to Mr. Parsons’ question as to whether Ms. Catherine Allen, Deputy Director of Administration, had been appointed to Acting Director of Human Resources position, Mr. Brown stated she had not.

When Mr. Parsons asked if she had received an increase in pay, Mr. Brown advised she did as well as two other individuals in the Department of Human Resources since Ms. Patricia Siemiontkowski resigned as Director.

In answer to Mr. Parsons’ question as to whether he knew Mr. John Kachmar, Jr., Mr. Brown stated he could not say he did.

In response to Mr. Parsons’ question as to whether he had any dealings or contacts with Atlantic Coast Consultant, Mr. Brown advised he was not familiar with the name. He further advised was introduced to a lot of people at meetings and events.
Mr. Parsons stated Mr. Kachmar was the Director of Administration of Lehigh County in the early 1990's, the County Administrator in Beaufort County, South Carolina and the City Manager of Johns Creek, Georgia. He further stated if any of those locations sounded familiar, County Council should refer back to the hiring of the Director of Human Resources, who they were not given much time to consider.

Mr. Brown commented he stood behind all of his recommendations and County Council did approve them.

In answer to Mr. McClure's question as to by what authority was Ms. Allen given a raise, Mr. Brown advised as County Executive it was his authority to do that on a temporary basis.

In response to Mr. McClure's question as to when the raise was given and if she was still receiving it, Mr. Brown stated she was still receiving the increase as were the other two individuals and he would have to review the records to see when it began.

In answer to Mr. McClure's request to recite a revision in the Administrative Code that allowed him to do this, Mr. Brown advised he could not, but he would provide it to him.

In response to Mr. Kraft's question as to where the decision to have the voting machines moved by in-house personnel came from, Mr. Brown stated the genesis of it came during last year's budget process from Ms. Dee Rumsey, Chief Registrar, Election Office, who pointed out they could save approximately $40,000.

In answer-to Mr. Kraft's question as to whether it was brought before the Election Commission for approval, Mr. Brown advised with the current process, County employees would load the trucks and then Frick Transfer would transport them and unload them at the designated site. He added County employees were responsible for moving the machines prior to Frick Transfer being hired.

Mr. Kraft stated it was tried once and was a disaster and Frick Transfer had to be brought back in to fix the situation half way through.

Mr. Brown advised they were competent the change was appropriate and would provide the service needed for the taxpayers and the electors.
When Mr. Kraft remarked the County was down 200 employees so he wondered how much it was going to cost, Mr. Brown indicated it would cost approximately $2,000 compared to $40,000.

In answer to Mr. Kraft's question as to whether the $40,000 was going to stay in the Election Office budget, Mr. Brown stated it had not been removed and would be looked at during the next budget process.

When Mr. Kraft pointed out if something goes wrong, it could cost the County a couple hundred thousand dollars to redo an election, Mr. Brown agreed, but they have updated some of the equipment and were very present to the needs to make sure it worked well.

Mr. Kraft advised he was concerned the County was short staffed and employees were being used to move the equipment.

When Mr. Brown stated the comment about short staff was not appropriate, Mr. Kraft mentioned that was what he was hearing from all the departments.

Mr. Kraft remarked when County Council took $100,000 from his budget, they intimated they did not want Sahl Communications. He then asked if their representative was still working and how was it being funded.

Mr. Brown advised the contract he had with Sahl Communications was included in the current budget. He further advised when County Council took the $100,000 out of the budget, the reason was not specified.

In response to Mr. Kraft’s question as to whether he took $100,000 from the table game revenues and put into his budget, Mr. Brown stated he did not believe so, but he would have to check.

Mr. Kraft advised he was pretty sure he took $100,000 from the table game revenues and put it in his budget so it seemed money was being taken from something that should not be touched for that and put it to pay for this public relations firm.

Mr. Brown stated he was assuming that was where the money was going, but that was already budgeted. He further stated it was the Administration's right to move funds around as it deemed appropriate.
When Mr. Kraft advised he did not think moving table game revenues into a general budget was appropriate at any time, Mr. Brown indicated he would have to look at the specific transaction before commenting on it.

Mr. Kraft stated he would appreciate a reply in two weeks.

In answer to Mr. Benol's question as to when the back door was going to be repaired, Mr. Brown advised he did not have a specific date.

Mr. McClure stated everyone could agree that the election process was a "sacred cow" and it was one of the fundamental functions of the County. He further stated he always felt it was risky to be penny wise and pound foolish so he was hoping that everything goes well.

Mr. McClure advised there were 268 vacancies throughout the County. He further advised his concern were the vacancies in the Department of Human Services because it was essential that the needs of at-risk children and elderly citizens were being met so these positions had to be filled now.

In response to Mr. McClure's question as to whether he was going to fill them, Mr. Brown stated when he received requests for those positions, they were signed immediately. He further stated the issue was the hiring process due to the regulations of the Civil Service process.

In answer to Mr. McClure's question as to whether most of these positions would be filled by the end of the year, Ms. Allison Frantz, Director of Human Services, replied she hoped so. She further stated her division heads have been working very hard to make sure they are filled because it did affect their ability to provide services to the community, as well as the morale in the divisions.

Ms. Frantz advised they were going through the process of filling these positions, but it took time. She further advised they tried to hire from within when appropriate and pulled the list from the Civil Service Commission.

When Mr. McClure asked if she could tell him how many people were in the pipeline for these open positions, Ms. Frantz responded she could not.
In response to Mr. Werner’s question as to whether the Department of Human Resources was involved in the testing, Ms. Frantz stated they were involved, but did not do the testing.

Mr. Werner advised the hiring procedures put forth by the County may be stagnating some of its efforts at a great deal of expense so he requested they be reviewed.

Ms. Frantz stated the Department of Human Resources had looked at that issue, but they were hindered because of the way the Administrative Code and the Home Rule Charter were written.

Mr. Brown advised he asked the Solicitor’s Office to review the Home Rule Charter and the Administrative Code to see where the restrictions were and come up with language to ease the situation.

In response to Mr. Kraft’s question as to how many have turned down jobs due to the entry level salary, Ms. Frantz stated a fifth of the people.

Mr. Kraft advised he would also suggest looking at the pay structures.

Mr. McClure stated there were eight vacancies in Children, Youth and Families and he did not detect an urgency in filling them.

Ms. Frantz advised there was absolutely an urgency to fill those positions and the employees in Children, Youth and Families and Information, Referral and Emergency Services Divisions should be commended for the work they were doing.

When Mr. McClure stated he was not attacking them, but they could only get to so many people, Ms. Frantz replied the regulations mandated they respond in a certain period of time and they were doing that.

Mr. Geissinger stated the point had been made that there were vacancies that had to be filled and the Administration had indicated they were proceeding in accordance within the regulations to fill them.

Mr. Benol advised he would like to see an analysis done to determine how many individuals were actually needed because he heard technology was being brought in to streamline certain departments.
Ms. Frantz stated whenever there was an open position, they evaluated it to determine what could be done better or differently, but every position currently opened had to be filled.

Mr. Vaughn advised over the last year, the Human Services Committee interviewed several division heads and their main complaint was lack of State funding so hopefully with the incoming Governor, there would be more funding. He further advised if this was an issue to be addressed, he would have the division heads come before the Human Services Committee and discuss their vacancies and what should be done about them.

When Mr. Werner commented there were 130 vacancies in Human Services, Ms. Frantz stated that included Gracedale and the per diem pool that had ¾ FTEs so that was not an accurate number.

Mr. Werner advised 56% of the County’s budget encompassed these positions so he asked how long did it take for an individual to get up to speed after they were hired.

Ms. Frantz stated the hiring process took approximately three months because they had to give 2-4 weeks’ notice to their place of employment and it took approximately 4-5 months to get them up to speed.

Ms. Frantz advised they have been hiring and interviewing individuals, but during that time period, people were leaving for non-retirement reasons. She further advised if a person was promoted, they had a three month right of return and during that period, they were evaluating the position and putting together the paperwork for approval.

In response to Mr. Kraft’s question as to whether the right of return was contractual, Ms. Frantz stated it was a Civil Service State law.

Mr. Geissinger advised he was in agreement with all his colleagues that measures had to be taken to fill the necessary positions as quickly as reasonably possible and if the Administration found things had to be changed, they could come to County Council for assistance.
County Commissioners Association of Pennsylvania (CCAP) Study

Mr. Parsons stated CCAP recently sent copies of two studies regarding the privatization of nursing homes wherein one study indicated it would cost the State more than $30 million.

Mr. Parsons made a motion to send these studies to Northampton County Senators and Representatives for their review.

Mr. Benol seconded the motion.

The motion was passed by voice acclamation.

Industrial Development Authority (IDA) Liaison Report

Mr. Parsons advised that he and Mr. Werner attended an IDA meeting and found it enlightening and informative. He further advised the IDA was responsible for the financing of economic venues in the County and they were very knowledgeable in what they did.

Lehigh Northampton Airport Authority (LNAA)Liaison Report

Mr. Geissinger stated he attended two committee meetings and one full board meeting of LNAA and the challenges facing them continue. He further stated he had attended meetings over the last 14 months and found an attitude of change and they were open to discussing ways to do things better and generate revenue.

Adjournment

Mr. McClure made a motion to adjourn the meeting.

Mr. Kraft seconded the motion.

The motion to adjourn passed unanimously by acclamation.

Linda M. Zembo
Clerk to Council