Easton, Pennsylvania November 5, 2015

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

Prayer

Mrs. Ferraro led County Council in a moment of silence.

Pledge of Allegiance

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

Approval of the Minutes

Mr. Werner made the following motion:

Be It Moved By the Northampton County Council that the minutes of the October 15, 2015 and October 14, 2015 meetings shall be approved.

Mr. Geissinger seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Mr. Dan DePaul, 301 9th Street, Easton, PA - stated the members of the Northampton County Gaming Revenue and Economic Redevelopment Authority invited communities to speak about their applications for grants so he thought County Council should do the same for the Community Investment Partnership Program grants because to get more information than what was provided.
Controller’s Report

Mr. Stephen Barron, Controller, advised he would like to see restrictions put into the emergency ordinance being introduced tonight as to when this money would be borrowed and what triggers would enact the borrowing.

County Executive’s Report

Mr. John A. Brown, County Executive, stated in light of Lehigh County’s announcement pertaining to their prescription drug collection program, he wanted County Council to be aware the Administration had been working with District Attorney John Morganelli and Chief Larry Palmer, Chairman of the Northampton County Chief of Police Association on a similar program. He further stated this week they received notice from the Pennsylvania District Attorney Association that they would be receiving a grant for 17 secured medicine collection boxes.

Mr. Brown advised one would be located in the Courthouse and the others would be placed at various police departments throughout the County and the Pennsylvania National Guard would handle the transportation and disposal of the medicines. He further advised this program would provide County residents a responsible and practical way to dispose of their medications.

In answer to Mr. Kraft’s question as to who was responsible for the removal of the cross walk on Washington Street, Mr. Brown stated the Safety Committee reviewed the matter for several weeks and recommended its elimination in order to minimize liability for the County and its employees. He further stated the cross walk was established during the construction of the Courthouse addition and was never meant to be permanent adding it would be quite expensive to make it a compliant cross walk.

In response to Mr. Kraft’s question as to whether consideration was given to having all of the Sheriff Department vehicles park across the street to free up spaces in the parking deck for the employees, Mr. Brown advised he understood the inconvenience to the employees and public that had to park across the street, but the focus was on the liability issue. He further advised they would continue to explore the accessibility for the employees and public.
In answer to Mr. McClure's question as to what member of his legal team was consulted regarding this issue and who were the members of the Safety Committee, Mr. Brown stated he would have to get that information.

Community Investment Partnership Program (CIPP) Grants

Mrs. Ferraro advised on November 19, 2015, County Council would be voting on the CIPP grants so if anyone had any questions to please submit them.

Mr. Parsons stated they could contact himself or Mr. Mark Hartney, Administrator, Department of Community and Economic Development.

Introduction of an Emergency Ordinance Authorizing the Administration to Obtain Necessary Funding to Maintain and Provide Services for Departments Directly Affected by the State Budget Impasse

Mrs. Ferraro advised at the request of the County Executive an emergency ordinance was being presented to obtain necessary funding due to the State budget impasse. She further advised as it was an emergency ordinance the introduction, public hearing and vote may be held tonight, noting it would require a 2/3 vote for adoption or it could be introduced tonight with the public hearing and vote being held at the November 19, 2015 meeting.

Messrs. Geissinger and Werner introduced the following ordinance:

AN EMERGENCY ORDINANCE AUTHORIZING THE ADMINISTRATION TO OBTAIN NECESSARY FUNDING TO MAINTAIN AND PROVIDE NORTHAMPTON COUNTY SERVICES DIRECTLY AFFECTED BY THE STATE BUDGET IMPASSE

WHEREAS, the Home Rule Charter Article VII Finance, Section 705(b), Emergency Appropriations states: "To meet a public emergency affecting life, health, property, or the public peace, the County Council shall have the power by emergency ordinance to make emergency appropriations in accordance with the provisions of Section 603. To the extent that there are no unappropriated revenues available to meet such appropriation, the County shall have the power by emergency ordinance to
authorize the issuance of emergency notes or bank borrowings, which may be renewed from time to time, but the emergency notes or bank borrowings of any fiscal year shall be paid no later than the last day of the next fiscal year."; and

WHEREAS, due to the State budget impasse, Northampton County has had to utilize available financial resources in order to maintain and provide Northampton County services directly affected by the State budget impasse.

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED that the Northampton County Council authorizes the Administration to obtain necessary funding to maintain and provide Northampton County services directly affected by the State budget impasse.

IT IS FURTHER ORDAINED AND ENACTED that the Northampton County Council authorizes the Administration to engage with financial institutions for the purposes on obtaining short term funding not to exceed $50 million in order to meet its services obligations to County residents.

Mr. Parsons stated Mr. Doran Hamann, Budget Administrator, Department of Fiscal Affairs, had previously indicated the County was good until the end of the year.

Mr. James Hunter, Director of the Department of Fiscal Affairs, advised the County would have enough money until the end of the year if it liquidated all of its assets, but early withdrawal penalties would be incurred so they decided not to do that. He further advised they were in negotiations with a few banks right now because they wanted to get things in place so they could draw on the money the middle to the end of December.

Mr. Hamann stated as of the end of October the County’s General Fund had $19 million and a year ago it had $61 million. He further stated he was in constant contact with Fulton Financial Advisors, who managed the County’s investment portfolios.

Mr. Hamann advised over the last four months, the County was able to liquidate a number of its investments without incurring any penalties associated with early redemptions. He further advised the County could go down to $5 million without incurring any penalties.
Mr. Hamann stated they could go until the end of November before reaching the $5 million mark, but if the State impasse continued, between December 1st and the second or third week in March, $35 million would be needed for cash flow purposes. He further stated by the second or third week of March, the County received approximately $20 million a week from the real estate taxes.

Mr. McClure advised during the Budget Hearing he asked how the State budget impasse was impacting the County’s bottom line in providing services and was told the County would be fine. He further advised at the end of the third quarter, the total Fund Balance was $52,362,101 million.

In response to Mr. McClure’s question as to whether the County had $36,445,940 in cash, Mr. Hamann stated they did when combining all the County’s bank accounts, but some of them could not be used. He further stated there was approximately $20 million that belonged to HealthChoices which was Federal dollars and could not be used in any way to support the operations of the County other than in HealthChoices.

Mr. Phillips asked if Mr. Hamann could explain this in relation to the Governmental Accounting Standards Board ordinance that was adopted.

Mr. Hamann advised there were other funds that existed throughout the County, but the $19 million was strictly the General Fund that supported the day to day operations of the County.

In answer to Mr. Vaughn’s request for an elaboration about the penalties the County would incur if it went below $5 million, Mr. Hamann stated if Fulton Financial Advisors purchased an investment for $1 million to mature at the end of 2016 and the County were to liquidate it, the County would not get its $1 million back because there would be penalties involved due to it not being matured so that was why they felt it was prudent not to liquidate investments where principle investments would be lost.

Mr. Vaughn advised he read the County Commissioners Association of Pennsylvania was recommending Counties keep track of any excess expenses or penalties they incurred from the budget impasse so he wanted to know if that was being done.
Mr. Hamann stated because of the actions the County had taken, it had not incurred any penalties and to avoid them it was decided to draw the line at $5 million.

Mr. Brown advised he asked Messrs. Hamann and Hunter to look at the cost of borrowing money versus liquidating the County’s assets and they determined it would either be a wash or more prudent to borrow the money. He further advised they also looked at other measures besides borrowing the money.

Mr. Brown stated they looked at the vendor list to determine if delaying payments would be meaningful to further the cash flow in the future and found it would not. He further stated they looked at some options other Counties had taken such as cutting services and job furloughs, but decided against those as well.

Mr. Brown advised their plan was to only draw down the money as needed and the interest payment would only accrue according to the actual draw. He further advised the State could pass a budget by December, but it would take up to three months for the County to receive its money so there would still be a need for the borrowed funds.

In response to Mr. Phillips’ question as to whether the Administration would have enough time to secure and have in place the funds by early December if County Council were to wait until November 19, 2015 to vote, Mr. Brown stated it was possible, but if for some unforeseen reason County Council could not meet then further liquidation of investments would have to occur.

Mr. Werner advised this was not about going into unnecessary debt, but was a proactive option to allow the County to continue providing services.

Mr. Phillips made a motion to delay the vote on this ordinance until November 19, 2015.

Mr. Kraft seconded the motion.


The motion failed by a vote of 4-5.
Mr. Hamann provided a document reflecting the County's cash flow for the period being discussed (see Attachment #1). He stated the first page was a Statement of Cash that was prepared for the Controller's Office and CliftonLarsonAllen on a weekly basis that was used in the annual audit and it showed at the end of October the County's General Fund was $19,369,448 and a year ago it was $61,626,699.

Mr. Hamann advised the second sheet was a cash flow model based on thousands. He further advised the fourth listing under Weekly Balance reflected the $19,369,448 previously mentioned as being in the General Fund and by the end of November there would be approximately $5.7 million.

Mr. Hamann stated as it continued through the month of December the numbers went to red and continued to be red until the third week of March 2016 when there was a positive cash flow predicated upon receipts from real estate taxes.

Mr. Hamann advised this sheet provided what was brought in and expended on any given week. He further advised from the first week of December until the second week of March it added up to approximately $35 million in negative cash flow.

In answer to Mr. Phillips' comment that the County did not want to past week eight, Mr. Hamann stated their recommendation was to stop at the end of November, which was week eight, maintain the $5 million and not incur any penalties for early redemption of the debt service.

In response to Mr. Phillips' question as to whether there was an idea of what the interest rate would be, Mr. Hunter advised they were talking to five different banks and the interest rates were approximately 2%.

Mr. Lauer stated whatever was borrowed had to be paid off by the end of the next fiscal year.

Mr. Hunter advised the term would be no longer than a year, but the County planned to pay it off once it started receiving its revenues from the State.

In answer to Mr. Geissinger's question as to how it would be structured, Mr. Hunter stated in a way that would be the least costly for the County.
In response to Mr. Kraft’s question as to what this transaction would cost the County, Mr. Hunter replied there was no origination fee and the interest would be based on what was drawn down.

Mr. McClure advised after taking the $20 million for HealthChoices from the $36,445,940, there was still approximately $17 million left and questioned why that was not being used.

Mr. Hamann stated besides the $20 million for HealthChoices, included in that amount were bond proceeds from the 2009 and 2013 Bond and casino money that could not be used.

Mr. Brown advised they looked at all funds to see if they could pull money out to put in the General Fund and they would not be asking for approval to borrow money if there were funds to be used.

In answer to Mr. McClure’s question as to whether they looked at the $10 million that was set aside for disasters, Mr. Brown stated the penalty for liquidating that account would outweigh its usefulness.

In response to Mr. Benol’s question as to whether in waiting two weeks to vote there would be a set borrowing plan, Mr. Brown advised he did not know what more information would be revealed in two weeks.

Mr. Parsons stated he was not going to support this ordinance because he did not feel it met the definition of an emergency, but would support it if it was presented in two weeks.

As there were no further questions or comments, Mrs. Ferraro called for the vote.


The ordinance was adopted by a vote of 6-3.
Consideration of a Resolution Amending Resolution No. 77-2012 (Real Estate Assessment Filing Fees)

Mr. Kraft introduced the following resolution:

R. 93-2015  RESOLVED, By the Northampton County Council that Resolution No. 77-2012 shall be amended as indicated hereafter (sections marked with strikeout have been deleted and sections marked with bold underline have been added):

Number 77-2012

WHEREAS, Northampton County Ordinance No.17-79 provides that fees charged by agencies and offices of the County of Northampton shall be set by the Northampton County Council by means of a resolution at such times and at such rates as deemed necessary; and

NOW, THEREFORE, BE IT RESOLVED by the Northampton County Council that, effective January 1, 2013, the following fees shall be charged for filing appeals of real estate assessments. It shall be understood that the filing fee shall be for each parcel for which an appeal is filed:

a. Residential  $25.00
b. Commercial  $100.00 $250.00
   $100.00 $250.00
   c. Exemption  $100.00
   d. Class Action (2 Leaders)  $100.00 plus $25.00 per parcel on separate application
   e. Cancellation Fee  $25.00

In answer to Mr. Vaughn’s question as to the reason for the changes, Mr. Kraft advised it cost twice as much for someone to do a commercial assessment.

In response to Mr. Benol’s question as to whether these funds would be sufficient, Mr. Kraft stated it was just to offset the costs.

As there were no further questions or comments, Mrs. Ferraro called for the vote.


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

Consideration of a Resolution Amending the Sheriff’s Department Fee Schedule

Mr. Geissinger introduced the following resolution:

R. 94-2015 WHEREAS, Northampton County Ordinance #17-79 provides that the fees charged by agencies and offices of Northampton County shall be set by the Northampton County Council by means of a resolution at such times and at such rates as deemed necessary; and

WHEREAS, the Northampton County Sheriff has requested an amendment to the Sheriff’s Office fee schedule pertaining to electronic access identification cards that would be required to permit access solely through the rotunda turnstile to members in good standing of the Northampton County Bar Association, as well as a small group of professionals who conduct business in the Northampton County Courthouse.

NOW, THEREFORE, IT IS HEREBY RESOLVED, By the Northampton County Council that the Sheriff’s fee schedule shall be amended, to read as indicated hereafter:

ELECTRONIC ACCESS IDENTIFICATION CARD

SHERIFF’S FEE............................................................................................................ $15.00
TOTAL....................................................................................................................... $15.00

IT IS FURTHER RESOLVED, that any other fee schedule inconsistent herewith is hereby repealed insofar as the same affects this fee schedule.

Mrs. Ferraro advised a letter was received from the Bar Association indicating they were in agreement with this request.

Sheriff David Dalrymple stated the price was formulated based on the County’s cost to produce a card and the Bar Association was in agreement with the $15 fee.

In answer to Mr. Phillips’ question as to what individuals would be considered professionals, Sheriff Dalrymple advised that pertained to a number of vendors who already had an identification card and title searchers.
In response to Mr. McClure's question as to the reasoning behind this request, Sheriff Dalrymple stated during the past six months he was reviewing the policies and procedures of his office, as well as the security equipment in the rotunda. He further stated his concern was balancing the best ways to enhance security with reason and traditions of the Courthouse.

Sheriff Dalrymple advised there would be a new security system installed in the rotunda where an individual with a card could go through the turnstile and those without a card would have to go through the screening area.

As there were no further questions or comments, Mrs. Ferraro called for the vote.

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

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

Capital Projects and Operations Committee Report

Mr. Phillips stated the Capital Projects and Operations Committee would be meeting on November 17th, 2015, at 6:00 p.m. in the Tower One meeting room at Gracedale.

Council Clerk Report

Mrs. Zembo reminded the members of County Council to have any amendments to the budget they may have to her no later than Friday, November 13, 2015.

Adjournment

Mr. Kraft made a motion to adjourn the meeting.

The motion to adjourn passed unanimously by acclamation.

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Linda M. Zembo
Clerk to Council