

Huntingdon, PA

Tuesday, December 11, 2019

46-2019

A special meeting of the Huntingdon County Commissioners was held on the above date and time in the Commissioners Meeting Room with the following present: Commissioners Sather, Walls and Thomas; Chief Clerk, Heather Fellman; Ed Zack from Susquehanna Accounting and Consulting Solutions; News Reporter, Kylie Hawn and visitors, Jim Cassatt, Michael Carowick and Joann Carowick.

The meeting was called to order at 10:00 a.m. by Commissioner Sather, followed in prayer led by Commissioner Sather and the Pledge of Allegiance to the flag led by Commissioner Thomas.

Commissioner Sather noted that the budget was made available to the public for inspection on November 27th and that it would continue to be available for public comment for a 20 day period as required by law. Action will be taken on the budget at the regularly scheduled public meeting on December 17, 2019. Commissioner Walls commented that the Department of Community and Economic Development have been pushing counties to move to a modified accrual accounting system since 2008. There is a potential to lose funding if this change is not made and the county is beginning to make that transition this year starting with the 2020 budgeting process.

During the public comment period, Kylie Hawn asked where the information on the Bailey Building and 911 Mortgages can be found. Commissioner Thomas responded that it can be found on the special millage page at the end of the budget packet.

Jim Cassatt commented that there was no money budgeted for payment of the mortgages under the expenditures portion of the budget packet. Commissioner Thomas noted that that is because it is a special millage. Commissioner Sather noted that it is not part of the general fund's operating expenditures. Ed Zack commented that this is a separate debt service fund and Susquehanna Accounting recommends that the county not include this in the general fund.

Jim Cassatt asked why the Commissioners are not getting a TAN this year. Ed Zack explained that the TAN is not a revenue and it is not an expense. As such, it should not be included in the general fund. When you borrow funds in this way it is neither an expense nor a revenue, it is a liability and it is paid off at the end of the year.

Michael Carowick commended the Commissioners for setting up the Bailey and 911 mortgages the way that they did so that there would be a special tax that goes away when the debts are paid off rather than becoming extra revenue. He further commented that with the speed of technology, by the time the 911 loan is paid off, it will probably be time to replace the system again before too long. Commissioner Sather noted that there is an agreement in place that the county will not have to replace the system for 15 years and there are also portions of the system that will not have to be repeated investments. When the system needs to be upgraded next it will mostly be a software upgrade.

Commissioner Walls commented that unfortunately by law the only form of revenue a county has available is the property tax. Commissioner Walls believes the property tax is very punitive and not based on the ability to pay. Though he does not believe the property tax will ever go away, he hopes that the state will give the county some options for taxes that could be levied that are based on the ability to pay or consumption. Commissioner Thomas noted that he sits on the taxation board and that he, along with other commissioners have been lobbying for better revenue options for county

government. Though people do not like the property tax, it is the most reliable tax and Commissioner Thomas feels that this is why there is a reluctance to move away from it. As the County budget currently stands, the taxes only cover 41% of the budget. Ed Zack commented that most of the other counties he works in cover 50% of the budget from property taxes.

Jim Cassatt commented that he did not see anything in the budget for new voting equipment. Commissioner Thomas commented that it is on page 10 under Contracted Services for Elections. It will cost approximately \$600,000 and the state has committed to cover 60% of the cost. Commissioner Walls noted that we will have to plan on funding the entire cost until the state processes the reimbursement to the counties. Michael Carowick commented that he is aware of the mandated replacement of elections equipment in Pennsylvania, but is confused about the requirements. According to the state, the machines are required to have a paper trail but ours already have a paper trail. Commissioner Thomas noted that the state is decertifying all current election equipment and requiring all counties, whether they currently have a voter-verifiable paper trail or not, to replace equipment. The state is allowing counties like ours to have a one year extension with the stipulation that we would forfeit federal money for the upgrades and the county would only receive 40% of the funding from the state.

Jim Cassatt asked if the county is going to continue making quarterly payments on the debt. Commissioner Sather noted that there will be no change in the way the debt is payed. Mr. Cassatt commented that the county is paying interest on interest by not paying weekly or monthly. Commissioner Sather noted that the cash flow into the general fund is not steady and that the funds are available on a quarterly basis. Ed Zack noted that some bills are paid monthly. Mr. Cassatt commented that he believes the 911 and Bailey funds are received regularly and wonders why the Commissioners do not pay them regularly. Commissioner Walls commented that those payments are not received regularly throughout the year. Mr. Zack commented that the county also has to watch cash flow to make sure that all of the other bills can be paid.

Ed Zack commented that he would like to commend the Commissioners for how hands-on they are in the budgeting process. He noted that this is not typical in the other counties he has worked in.

Commissioner Sather commented that nobody likes a budget increase, but we have to put the county on the right foot financially.

Jim Cassatt asked how the move to a modified accrual based accounting system will impact understanding of cash flow. Ed Zack commented that it will give a better understanding of where the county stands financially, including what money is owed to them and what money they owe.

Michael Carowick commented that the judge is recommending action on a new jail. He asked if the Commissioners decide to do that, would they set it up in the same way as the Bailey loan where the special tax would disappear once the loan is paid off? Commissioner Thomas said that this is how he would recommend handling it but that he cannot speak for the entire board. There are still a lot of factors to explore and the commissioners will try to make the best decision for the county. Jim Cassatt commented that the meal agreement should give a good idea of the expenses for inmates. Commissioner Thomas noted that unless we drop below 48 inmates that number will not change. By signing that agreement several years ago the expenses dropped from \$7/meal to \$2/meal. Mr. Cassatt commented that population will change that number. Commissioner Sather noted that meals are only delivered to the local jail and we are always at maximum population locally plus we have inmates housed out of county.

Commissioner Thomas reminded the public that even though we have had this special meeting on the budget today, the public comment period is open until December 17th.

There being no further business, it was moved by Commissioner Walls to adjourn the meeting at 10:47 a.m.

Minutes prepared by Heather N. Fellman, Chief Clerk.

Respectfully Submitted,

Jeffrey Thomas, Secretary