



Forbes Road Band Presents Concert

Page A3



Memory Jogger Taken On Hill Farm

Page B1

THURSDAY
WEEKLY

The Fulton County News

75¢

For home delivery call 717-485-3811

108TH YEAR, NO. 50

MCCONNELLSBURG, PENNSYLVANIA

DECEMBER 11, 2008

County Taxes Remain Steady

Final budget to be adopted Dec. 30

By Chanin Rotz-Mountz
STAFF WRITER

With word finally being passed down from Washington, D.C., confirming what many have already known about the country's economic status and ongoing recession, the Fulton County commissioners have tentatively opted to hold the line on taxes for 2009 in announcing the approval of their proposed budget.

In approving the 2009 proposed county budget last Thursday, commissioners Bonnie Melott Keefer, Daniel Swain Jr. and David Hoover II allowed real estate taxes to remain at the current rate of 10 mills, while occupation taxes will also stay at a level of 20 mills. Both sets of taxes have been unchanged since 2006.

"In preparing the 2009 budget, the county faced challenges with the budget process with the state underfunding programs, the elimination or prior reimbursements that the county received, higher energy costs and additional debt service needed for building improvements," the commissioners stated in a prepared statement released by the office of county business manager Tim Stanton. "As of December 1, the state is still in the process of cutting funding to counties across the state. As a result, it is possible that the preliminary budget will need additional adjustments ..."

Specifically, funding sources are anticipated to decrease by 11 percent in comparison to funding revenue this year. The most significant drop proposed by the commissioners will include their decision of not obtaining an annual tax anticipation note.

"In 2008 a loan was obtained in the amount of \$590,000, which was paid back to the bank when real estate taxes were received. It is currently believed that the county will have adequate cash in 2009 without acquiring a loan, which will save the county the cost of interest expense," it was noted in the budget summary.

Revenue in 2009 has been broken down to 59 percent, taxes; 24 percent, federal and state operating grants; 6 percent, charge for services; 5 percent, prior year surplus; 3 percent other reimbursements; 2 percent, fines; and 1 percent interest. In comparison, expenditures for the next year are listed at 56 percent, salaries and benefits; 25 percent professional services; 4 percent, utilities; 4 percent, subsidies; 3 percent, other; 3 percent, debt service; 2 percent, supplies, 1 percent, insurance; 1 percent, travel and education; and 1 percent, repair.

"When a recession occurs the See COUNTY TAXES, Page A2

DEATHS

- Frey, Marian, 83, McCbg.
- Hollingshead, Marian, 80, Mercersburg
- Hose, Lewis Jr., 85, Hagerstown
- Mellott, Justin, 28, McCbg.
- Plessinger, Dorothy, 79, McCbg.
- Shade, Larry, 65, McCbg.
- Sheppard, Joan, 64, Hustontown

OBITUARIES, Page B3



Town's Holiday Lights Getting "Turned On!"



The light display at Donnie and Melissa Buterbaugh's home along the 800 block of Lincoln Way East features a Santa who traveled here by air in the North Pole Express. Melissa says she loves to decorate at Christmas and buys something new each year. Her husband and son do the work, she directs. The display isn't complete, however, Melissa plans to put more decorations out.



County Posts Highest Jobless Rate In State

Now ranks 67th out of 67 counties

By Jean Snyder
STAFF WRITER

Fulton County's unemployment rate climbed 1.7 percentage points in October, going from 8.5 percent in September to 10.2 percent in October, according to preliminary figures released by the Department of Labor and Industry last week. As a result of the 10.2 percentage rate, Fulton County now has the highest unemployment rate in the state. The seasonally adjusted data for Fulton County showed unemployment at 800, with a total labor force of 8,100 for the county in October. By comparison,

the October 2007, unemployment rate for Fulton was only 5.9 percent.

Last month, Fulton County ranked in the number 65 position in the state, but in August Fulton County also had the highest employment rate in the state at 9.2 percent, according to final figures for that month.

Although it seldom happens, August and October of this year are not the first times that Fulton has ranked 67th in unemployment. According to Justin Fleming, spokesperson for the state Department of Labor & Industry's Center for Workforce Information & Analysis, in August of 1982, Fulton County's unemployment rate was at 25.7 percent, the highest in the state. Fleming also said that the last time Fulton County's rate was higher than 10.2 percent was in August 1997, when it was 19.7 percent.

Preliminary data often differs from the final rate because, according to an L&I spokesperson, "there can be an upward or downward revision for the final rate because as more data is collected, rates are subject to change. Border counties can be particularly affected since there may be a delay in getting claims data from surrounding states." Generally, when there is a revision, it is an upward revision.

The recent increases in unemployment statistics for the county reflect recent layoffs at JLG, and it is likely that future layoffs in county industries will impact unemployment further during the winter months. Fulton County's current unemployment rates are markedly higher than both the state and national rates.

According to Fleming, the state's Rapid Response coordinator for Fulton County reports there have been 400 layoffs since August 2008, at the JLG facility in McConnellsburg. Last month, Kirsten Skyba, JLG's vice president of global marketing told the "News" that 1,400, or 31 percent, of JLG workers worldwide have been laid off. The company's most recently announced an additional layoff of 500 employees to be staggered from mid-November through the end of January.

JLG is the county's largest employer followed by Fulton County Medical Center and H.B. Mellott Estate Inc.

Jason Hawkins, president and CEO of Fulton County Medical Center said there have been no layoffs at FCMC and none anticipated. "However," he said, "we continue to evaluate vacancies and look for ways to realize savings...that has always been the case."

Jeffrey S. Rowland, human resources manager for H.B. Mellott Estate Inc., told the "News," "We laid off five individuals in August unrelated to today's economic conditions. However, we continue to evaluate the business climate as we move forward in these challenging economic times. We anticipate positive improvement within the construction materials industry as the economic stimulus package is targeted toward our national infrastructure. It is at times like these that we must maintain focus on the Mellott See JOBLESS RATE, Page A2

Medical Center Books Show Mixed Results

Profit for operating income, loss for net income

By Jean Snyder
STAFF WRITER

Fulton County Medical Center held a state-of-the-company meeting on Monday evening and although the news was not entirely good, it was not as bad as had been predicted.

According to the report, the center finished the 2007-08 year with an operating income of \$305,000, but had a net loss of \$327,000. Figures that, according to Shana Wolfe, chief financial officer, were "actually \$1 million better than the amount projected by consultants when the bonds for the new hospital were issued in 2006."

The center showed operating expenses of \$28 million with operating revenues of \$28.3 million, resulting in an operating profit of \$300,000. Nonoperating revenue, however, showed a loss of \$632,000, resulting in the net loss of \$327,000. It is the first time in seven years that the hospital has shown a net loss.

In explaining the loss, Wolfe said, "Due to changes in accounting rules for pensions, and

the sale of the old hospital and nearby houses, FCMC reported a total loss of \$327,000." Wolfe went on to say, however, that "the Medical Center has met or exceeded all its bond covenants."

During her presentation, Wolfe said, "The reimbursement realities in healthcare are that very few payers cover the full cost of providing services. As a Critical Access Hospital, FCMC is entitled to reimbursement for its cost for caring for Medicare patients. While 22 states offer cost-based reimbursement to Critical Access Hospitals for Medical Assistance (Medicaid) patients, Pennsylvania has not enacted a similar ongoing system. Other payers request various discounts from charges. Many patients who are uninsured cannot pay much, if anything, for their healthcare services. The result is that healthcare providers operate on a very thin margin to be reinvested into facilities and equipment."

Wolfe added that the financial goals for FCMC for the future include: responsible stewardship of the new facility; stability of operational results in a difficult economy; prudent spending on necessary expenses to continue

meeting the healthcare needs of our community; maintaining requirements of bond issue; preserving resources to allow FCMC to meet the needs of those unable to pay; and obtaining capital to construct patient services building.

Patient and services volumes did not vary much from the previous year. The patient census for 2007-2008 was up slightly with 850 admissions, up from 811 admissions last year. The number of acute-care patient days was down very slightly, 2,926 days compared to 2,972 days in the previous year. The number of swing-bed days was up slightly, 1,355 from 1,327 in 2006-07.

The number of long-term-care days was up significantly due to the increase in beds at the new facility. There were 22,526 patient days in 2007-08 compared with 20,037 during the previous year. Wolfe mentioned that the nursing home continues to "experience nearly 100 percent occupancy." Emergency room visits also increased slightly to 10,389 from 10,068 visits last year. The center had 10,167 visits to specialty clinics in 2007-08, down from 10,338 in the previous year, while both numbers of

radiology and laboratory procedures were up this year over previous years, radiology up to 19,587 from 19,052 and lab procedures 114,771 up from 104,386 last year. Outpatient visits totaled 34,953, up from 33,140 in the previous year.

Medicare continued to provide the most payment for services at 42 percent, while Blue Cross/Highmark provided 26 percent, Medical Assistance about 15 percent, other insurance and direct pay about 16 percent, and 1 percent was free care.

Jason Hawkins, president and CEO, discussed the center's accomplishments for the year and set forth goals for 2009. He talked about the transition to the new facility and specialty physician recruitment.

Hawkins spoke of the long-range site plans, campus consolidation, a health needs assessment, working to increase customer satisfaction and education and program expansion. He concluded by saying, "We are ensuring our financial sustainability and improving our community's health and wellness with the formation of the FCMC Foundation and the establishment of an en-

See FCMC, Page A2

Boro, Police Reach Tentative Agreement

End-of-contract issues likely resolved in binding arbitration

By Jean Snyder
STAFF WRITER

With only about 20 days remaining on the McConnellsburg Police Association's contract, council members announced last Wednesday evening that the end-of-contract negotiations with the union would go to binding arbitration. The first arbitration session was held December 8, 2008, and borough solicitor Carlton Walker told the "News" on Monday evening that a tentative agreement was reached. Walker said that because the agreement is not yet official, she was unable to provide details. She did say that she hoped to be able to provide more details once the agreement is official, perhaps, within the week. She also said that the agreement finally hammered out was not unanimous among the three arbitration panel members.

During the binding arbitration session, Walker represented the borough's interest, while the Police Association's labor lawyer, attorney Tony Busillo of Harrisburg, represented the union's interests. Under the requirements of binding arbitration, a third neutral attorney (from the Philadelphia area) was also chosen for the panel. Although no information on the negotiations has yet been made public, the fact that the issue went to bind-

ing arbitration would indicate the parties were unable to come to an agreement on issues such as health insurance, severance pay and other end-of-contract concerns. So generally speaking, both Walker and Busillo were likely in disagreement over the terms and the neutral party may have had the final say in the dispute.

The council voted 4-2 on August 28, 2008, to abolish its police force effective at 11:59 p.m. on December 31, 2008, when the current contract ends. Council members cited costs needed to maintain the department as its reason to terminate the two-man police force. A borough police department has existed in McConnellsburg for more than 78 years.

Concerns over the cost of the police department first surfaced in 2002 when the police officers decided to unionize. For several months in 2002 and several more in 2003, council and the union attempted to negotiate a three-year contract. During that time, council explored the idea of abolishing the police department but was met with resistance from the community and finally agreed to a contract. The contract covered the period of January 1, 2004, through December 31, 2005, and officers gained concessions in

salaries and benefits. The police chief was given a 15 percent pay increase, while the sergeant was granted a 22 percent pay increase. Each was given \$1,000 in longevity pay and a \$500 signing bonus. In the second and third years of the contract, each officer received a \$1,000 pay increase each year. Following original contract negotiations two years ago, the borough police chief's salary was set at \$31,500 and the sergeant received \$31,000. Both officers received pay increases in 2004 and in 2005.

A new contract was negotiated in 2005 for the three-year period from January 1, 2006, through December 31, 2008. Under the terms of that new contract, both Sgt. Doug Thomas and Chief Gary Long received pay increases of 2 percent on January 1, 2006; July 1, 2006; January 1, 2007; July 1, 2007; January 1, 2008; and July 1, 2008. The contract also gave each officer an

additional longevity compensation of \$100 for each full year of service, i.e., after the first full year of service, i.e., \$100 shall be added to the annual salary and after the second full year of service, \$200 shall be added to the annual salary.

During the past six years, council and the police department have clashed over working hours and rates of pay. Council had asked the borough police to work an occasional third shift on the weekends. Although the officers did not refuse, the contract was interpreted to require overtime pay even when 40 hours were not exceeded. Council did not feel its budget could support the extra pay. Council then wanted to advertise to hire a part-time police officer to perform duties on a third shift, but the officers' association said that any new officers would also be union members and would essentially

See BORO, POLICE, Page A2

UNEMPLOYMENT RATES - OCTOBER

2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
10.2%	5.9%	4.8%	3.4%	8.4%	5.5%	7.2%	5.2%	5.8%	4.4%
Fulton County	Franklin County	Bedford County	Huntingdon County	State Of Pennsylvania	United States				