

Allegheny County Council

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Meeting Minutes - Approved

Wednesday, February 26, 2014

4:15 PM

Conference Room 1

Committee on Budget and Finance

Michael Finnerty, Chair

Members:

Barbara Daly Danko

Amanda Green Hawkins

Heather Heidelbaugh

Bob Macey

Chuck Martoni

Sue Means

John Palmiere

Jan Rea

I. Call to order

The meeting was called to order at 4:15.

Invited Guests:

William D. McKain, CPA - County Manager

Warren Finkel - County Budget and Finance Director

Mr. Barker, Mr. Szymanski and Ms. Sicard were present from the office of County Council.

II. Roll Call

Council Members Present: 6 - Finnerty, Daly Danko, Heidelbaugh, Macey, Means and Palmiere

Council Members Absent: 2 - Martoni and Rea

Council Members Phone: 1 - Green Hawkins

Council Members Non-Members: 2 - Russell Robinson and Futules

III. Approval of Minutes

[8096-14](#)

Motion to approve the minutes of the Budget and Finance Committee Meeting of Allegheny County Council held on February 19, 2014.
Passed

IV. Agenda Items**Ordinances**

[8087-14](#)

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending the Allegheny County Code of Ordinances in order to decrease the amount of assessed value of each homestead and farmstead property within Allegheny County to be excluded from Allegheny County property taxation.

Sponsors: Council Member Russell Robinson

At the request of the Chair, the clerk read the title of the bill and Mr. Robinson described his intent in fashioning the bill, noting that he sees wisdom in carefully reviewing all of the abatement programs currently in place within Allegheny County, and suggesting that the Committee may wish to thoroughly evaluate all of the fiscal impacts of those programs in making a determination of how to proceed..

The Chair agreed that there may be wisdom in looking at all of the abatement programs, insofar as all of them necessarily involve a reduction of the County's property tax revenue.

In response to a question from Ms. Danko, Mr. Robinson gave a brief history of the County's homestead exemption program. The Chair noted that Act 50 came into

existence in 1998, and described his experience with the history of the exemption since becoming a Member of Council.

Ms. Danko suggested that the Homestead may be one of the better exemption programs, insofar as it rewards home ownership. She also suggested that there may be wisdom in periodically re-evaluating individual property owners' eligibility for the homestead exemption, and the Chair expressed agreement with that sentiment.

Mr. Futules and the Chair discussed the current fiscal impact of the homestead exemption on the County, noting that it amounts to just over \$27 million in 2014 and a 50% reduction would realize an additional \$13.5 million or so in revenues this year.

Mr. Futules suggested that a reduction of the homestead exemption might disproportionately impact those homeowners of limited financial means.

Ms. Heidelbaugh noted that she had previously questioned how much the Act 202 exemption actually functioned to incentivize new construction. She noted that the intent behind the homestead exemption was likely to mitigate the impact of property taxes on less affluent property owners, and that reducing the exemption would result in a more regressive property tax structure, which she views as potentially problematic. As a result, she would like to delve more deeply into income that has been foregone by the County across the board, including via TIF and LERTA programs, in order to derive an accurate view of the fairness of the County's overall tax structure prior to acting.

Mr. Macey expressed agreement with Mr. Robinson and the Chair, to the extent that a comprehensive review of the exemption programs is likely wise in light of the uses to which additional tax revenues could be put for the welfare of the County's residents.

The Chair indicated that he is against cutting the homestead exemption and noted that the program in his view has been effective in incentivizing people to own and maintain their homes in the County.

The Chair indicated a desire to hold the bill for additional conversation.

Held in Committee

Resolutions

[8090-14](#)

A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2014 (Submission #03-14).

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. Szymanski summarized its provisions.

In response to a question from Ms. Danko, Mr. Schepis described the specific uses to which the grant revenues would be placed in order to aid in transitioning from nursing home residence to home residence.

In response to a question from Ms. Means, Mr. Schepis noted that the staffing funding is intended to allow for periodically checking in with individuals who make the transition.

Mr. Macey and Ms. Means requested additional information relating to the disposition of property purchased with grant funding, and Mr. Schepis indicated that he would obtain information on the topic.

Affirmatively Recommended

Discussion Topic**Presentation on the functions of the County Budget Office.**

The Chair reminded the Members that the discussion at hand relates to the function of the Budget & Finance department, rather than the policy underlying the department's actions, and requested that the Members confine their remarks accordingly.

In response to a question from the Chair, Mr. McKain provided information relating to the process of formulating a capital budget, and offered to provide the guidance document that the department uses in the process. Mr. Finkel, Mr. Lentz and Mr. Casciato provided additional detail relating to the mechanics of the process within the Budget & Finance department.

In response to a question from the Chair, Mr. McKain and Mr. Casciato described the five year projection for capital costs that appears in the annual CFP. Mr. Casciato described how multi year budgeting for projects that will take multiple years to complete due to expense and/or complexity.

Mr. Lentz and Mr. Casciato walked the committee through the guidance document referenced by Mr. McKain.

In response to a question from the Chair, Mr. McKain briefly described the various funding streams that may go into capital projects and Mr. Casciato and Mr. Finkel described the difficulties that go into tracking and maintaining cash flow for capital projects due to the need to front expenditures and await reimbursements from the appropriate agencies.

Ms. Means asked whether it would be feasible to generate a chart of potential capital projects, and Mr. McKain indicated that such a chart does appear in the CFP each year.

In response to questions from Ms. Heidelbaugh, Mr. McKain described the process of prioritizing capital projects for funding. Ms. Heidelbaugh asked if that process allows for one individual to suggest or require a particular capital project, and Mr. Lentz indicated that only departmental directors can make requests for specific capital projects to be funded. Mr. Casciato noted that the Budget & Finance department attempts to adhere to the departments' prioritization of capital projects. Mr. McKain indicated that all requests are evaluated similarly in the process, regardless of their source.

In response to a question from Ms. Danko, Mr. Casciato and Mr. McKain noted that the priority rankings assigned to the all projects do not all appear in the CFP, but that Public Works does retain the priority and bridge inspection data.

V. Adjournment

The meeting adjourned at 5:20.