

Allegheny County Council

*County of Allegheny
436 Grant Street
Pittsburgh, PA 15219
Phone (412) 350-6495
Fax (412) 350-6499*



Committee Meeting Minutes

Thursday, November 13, 2008

4:00 PM

Conference Room 1

Committee on Budget and Finance

William Russell Robinson, Chair; Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Mike Finnerty, Vince Gastgeb, Amanda Green, Bob Macey, and Chuck McCullough - Members

I. Call to Order

Summary: *The meeting was called to order at 4:00 PM*

Invited Guests:

Jim Flynn, County Manager or Designee

Amy Griser, Director, Budget & Finance

Derek Uber, Deputy County Manager

Summary: *Invited guests in attendance: Mr. Flynn, Ms. Griser, and Mr. Uber*

Recognized attendees: Tom Farmer and Dan Friedman, Enterprise Rent A Car; Rob Hackett, National Rent A Car & Alamo Rent A Car; Kevin Joyce and Jeff Cohen, PA Restaurant Association, and John Graff, Proprietor, The Priory.

Council staff in attendance: Jennifer Liptak, John Mascio, and Jared Barker

II. Roll Call

Roll Call: Present: Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Michael Finnerty, Vince Gastgeb, Amanda Green, Bob Macey, Chuck McCullough, Chair William Robinson, and Council Member Rich Fitzgerald

III. Approval of Minutes

4437-08 Motion to approve the Minutes of the October 14 & October 23, 2008 Budget & Finance Committee Meetings.

Action: **A motion was made that this matter be Passed. The motion carried unanimously.**

IV. Agenda Items**Ordinances**

4382-08 An Ordinance amending the Allegheny County Code of Ordinances, Division 1, entitled "Administrative Code," Article 808.A, in order to reduce the rate of County taxation on the sale at retail of liquor and malt and brewed beverages within the County.

Sponsors: Jim Burn, Joan Cleary, John DeFazio, Michael Finnerty, Amanda Green, Chuck Martoni, Bob Macey and Rich Fitzgerald

Summary: *Mr. Burn provided the committee with a brief summary of the bill. He said that the bill would establish the rate of County taxation on the sale at retail of liquor and malt and brewed beverages within the County at eight percent (7%). He said that the bill proposes a decrease of the rate of taxation by 3% from its current levy of 10%. He said that after studying the current drink tax revenues, 7% seemed consistent with the amount needed to provide a steady revenue stream to the Port Authority.*

Mr. Drozd spoke against the bill. He said that he thinks it makes the region less competitive.

Ms. Cleary spoke in favor of the bill. She said that even though surrounding counties do not have a drink tax their property tax has consistently gone up.

Mr. Gastgeb spoke against the drink tax in general. He said that he does not think that the bill reduces the tax enough and that he would like to see it lower.

Mr. DeFazio said that 7% is about as low as they could go. He said that according to some studies it may even be too low. He said that without the revenue from the drink tax the county would be forced to raise property tax.

Action: **Held in Committee**

4391-08

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, establishing the tax levy upon all real property subject to taxation within the limits of Allegheny County. (Chief Executive)

Sponsors: Chief Executive

Summary:

The Chair said that it is his intention to not release from committee any budget related bills at this time. No one from the committee objected to this.

Action: **Held in Committee**

Resolutions

4405-08

Resolution of the County of Allegheny, Commonwealth of Pennsylvania, adopting a Capital Budget pursuant to Article IV, §2 and Article VII, §4 of the Home Rule Charter by setting forth appropriations to pay the expenses for capital expenditures during the fiscal year beginning January 1, 2009 and ending December 31, 2009. (Robinson 2)

Sponsors: William Russell Robinson

Action: **Held in Committee**

4406-08

Resolution of the County of Allegheny, Commonwealth of Pennsylvania, adopting the Grants, Special Accounts, and Agency Fund Budgets, by setting forth appropriations to pay said expenses during the fiscal year beginning January 1, 2009 and ending December 31, 2009. (Robinson 2)

Sponsors: William Russell Robinson

Action: **Held in Committee**

4407-08

Resolution of the County of Allegheny, Commonwealth of Pennsylvania, adopting an Operating Budget pursuant to Article IV, §2 and Article VII, §4 of the Home Rule Charter, by setting forth appropriations to pay the expenses of conducting the public business of Allegheny County and for meeting debt charges for the fiscal year beginning January 1, 2009 and ending December 31, 2009. (Robinson 2)

Sponsors: William Russell Robinson

Summary: *The Chair offered an amendment to the bill. He explained that the amendment would eliminate the 2009 appropriation to the Port Authority, along with the corresponding transit revenues. He said that the amendment is designed to enable Council to retain oversight over the County's entire 2009 operating budget appropriations to the Port Authority.*

He also said that if the Port Authority wants this money released to them in 2009, they will need to make a request of Council for the release of any funding. The Port Authority will most likely be required to make specific disclosures regarding its "fiscal house" along with other conditions that this Council many imposed for release of funding.

He said that he wanted to clarify that the intent of this amendment should not be confused as a lack of support for our transit system or its riders. He said that it is an attempt to place an additional level of accountability and oversight over an authority that is facing very serious issues that have the potential adversely affect the residents of this County. He said that his goal with this amendment is to protect the system.

Mr. Finnerty said that he believed that the amendment would just create another layer of bureaucracy which would delay operations and place Council in the middle of mayhem. He said that he thinks Council has the ability to accomplish this without the amendment.

Mr. McCullough spoke in favor of the amendment. He asked to be co sponsor of the amendment. Mr. Drozd also requested to be recognized as a co sponsor to the amendment.

Ms. Cleary, Mr. DeFazio, Mr. Macey and Mr. Gastgeb all spoke against the amendment.

There was no vote taken on the proposed amendment.

Action: **Held in Committee**

4426-08 A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2008 (Submission #16-08).

Sponsors: Chief Executive

Action: **Held in Committee**

Discussion Topic:

Representatives from Enterprise Rent-A-Car will address the Committee

Summary: *Mr. Farmer indicated that he was also speaking on behalf of the Coalition Against Discriminatory Car Rental Excise Taxes. Mr. Farmer, Mr. Friedman, and Mr. Hackett collectively provided the committee with an oral presentation explaining their reasons for opposing the car rental tax. They distributed to the committee a document entitled, "Rental Car Tax is Bad Tax Policy". They referred to this document throughout their presentation.*

Representatives from the Restaurant Association will address the Committee

Summary: *Mr. Joyce, Mr. Cohen, and Mr. Graff collectively provided the committee with an oral presentation explaining their reasons for opposing the drink tax. They distributed a document to the committee which was generated by Friends Against Counterproductive Taxation. The document contained information describing the detrimental effects that the drink tax has on the hospitality industry. They referred to the document throughout their presentation.*

V. Adjournment

Summary: *The meeting adjourned at 5:05 PM*