

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Tuesday, January 22, 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, Brenda Frazier, Vince Gastgeb, 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 and Ms. Griser*

Recognized attendees: Pete Schepis and Greg Casciato - Office of Budget & Finance

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

II. Roll Call

Roll Call: Present: Joan Cleary, John DeFazio, Matt Drozd, Michael Finnerty, Vince Gastgeb, Bob Macey, Charles McCullough, Chair William Robinson, Council Member Rich Fitzgerald, and Council Member Nick Futules
Absent: Jim Burn, and Brenda Frazier

III. Approval of Minutes

3702-08 Motion to approve the Minutes of the December 13, 2007 Budget & Finance Committee Meeting.

Action: **A motion was made that this matter be Passed. The motion carried by the following vote:**

Votes: Yes: 7 - Cleary, DeFazio, Drozd, Finnerty, Gastgeb, Macey and Chair Robinson
Abstain: 1 - McCullough
Absent: 2 - Burn and Frazier
Non-Member: 2 - Council Member Fitzgerald and Council Member Futules

IV. Agenda Items**Ordinances**

3662-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, directing the Allegheny County Airport Authority to repay the sum of \$42,500,000 to the County.

Sponsors: Chuck McCullough and William Russell Robinson

Summary: *Mr. McCullough provided a description and summary of the bill. He said that the bill is a demand for payment made to the Allegheny County Airport Authority to repay the sum of \$42,500,000 owed to the County.*

He said that the County had previously issued General Obligation Bonds in the approximate sum of \$42,500,000 toward the construction and development of the Midfield Terminal Project at Pittsburgh International Airport on behalf of the Airport Authority.

He said that these bonds are defined as County Debt to be paid by the Authority pursuant to an agreement and thus, the County and the Airport Authority both agreed that the Authority is obligated to repay this debt to the County.

He said that this demand is for the full payment and/or reimbursement by the Authority to the County and that the County Law Department is directed to send formal written notice of such demand immediately after enactment of this ordinance. He said that the Authority will have ninety (90) days from that date to arrange satisfactorily to the Chief Executive and to County Council for the reimbursement of the Bonds.

The Chair asked Mr. Flynn if the administration is actively pursuing payment of this debt. Mr. Flynn said they are, and that Mr. Onorato has been pursuing this since he was Controller. He said that the 19 million that the County received from gaming revenues went toward that and that they are pursuing the balance.

Mr. Gastgeb questioned why the gaming money went towards that debt and that he believes that the Airport Authority should still pay the 42.5 million and the gaming money should go towards something else. He said that they at least need to come to some consensus as to what amount is owed.

The Chair suggested holding the bill until they find out what the Chief Executive's plan is to retrieve the money. Mr. McCullough said that he did not object to that.

Action:

Held in Committee

3663-08

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," through the creation of a new Chapter 480, entitled "Essential Services and Tax Exempt Certification," in order to provide for a tax exempt certification and essential services fee for certain properties within the County for which an exemption from the real property tax is claimed.

Sponsors: Chuck McCullough and William Russell Robinson

Summary:

Mr. McCullough provided the committee with a summary of the bill. He said that the ordinance would create an Essential Services and Tax Exempt Certification in order to provide for a tax exempt certification and essential services fee for certain properties within the County for which an exemption from the real property tax is claimed.

This Code amendment would require, on an annual basis, each property for which an exemption is claimed in whole or in part from the Real Estate Property Tax to obtain exemption from the real property tax and pay a Tax Exempt Certification and Essential County Services Fee.

He said that property used by Governmental entities, authorities or used as a church or other place of religious worship, or used as a pre-school, elementary, high school or special education, trade or training school not beyond the 12th grade, or used for police, fire (including volunteer fire and relief), public works or emergency services will not be required to comply with this ordinance.

He said that the revenues derived by the County pursuant to this ordinance are pledged to fund an increase in the Homestead Exemption.

Mr. McCullough said that he would like to offer an amendment to the bill. The Chair said that since the amendment is not in writing he would have to wait until the next meeting to propose it. The Chair asked staff if they would review the bill and assist Mr. McCullough in drafting the amendment. He also requested that the bill be accompanied by a fiscal note.

Mr. McCullough said that he was in complete agreement with the Chair's suggestion and would work with staff to draft an amendment for presentation at the next Budget & Finance Committee meeting.

Mr. Drozd suggested that staff investigate other parts of the country to see what they are doing to generate additional revenue. The Chair said that he had no problem with that.

Ms. Cleary asked Mr. McCullough how exemptions were derived. Mr. McCullough explained why he chose the types of institution for exemption.

Action:

Held in Committee

3673-08

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," through the creation of a new Chapter 485, entitled "Gaming Revenues," in order to provide a uniform mechanism for accepting and disbursing revenues provided to the County under the terms of the Pennsylvania Racehorse Development and Gaming Act, 4 P.S. §1101 et. s

Sponsors: Chuck McCullough, Matt Drozd, Vince Gastgeb, Jan Rea and William Russell Robinson

Summary:

Mr. McCullough provided the committee with a summary of the bill. He said that the bill would create a uniform mechanism for accepting and disbursing revenues provided to the County under the terms of the Pennsylvania Racehorse Development and Gaming Act.

He said that when the Chief Executive determines that the County will receive gaming revenues, the Chief Executive is immediately required to provide written notice of the anticipated receipt to both Allegheny County Council and the Allegheny County Treasurer. He said the notice shall include the approximate amount of revenue anticipated, an estimated date of receipt, the state fund(s) from which the revenue is being disbursed, and the Executive's proposed use(s) for the revenue.

The Chair reminded the committee that although it is the Chief Executive's prerogative to determine how this money would be spent, Council would like to be recognized as partners and be part of the process.

Mr. Gastgeb said that he believes that there should be more clarification as to how this money would be spent and that Council should update the Administrative Code to reflect that.

Ms. Griser said that all gaming revenue should be shown as Special Revenue and should be deposited within a segregated fund within the operating budget.

Action: Held in Committee

Motions

3696-08

Motion of the Council of Allegheny County requiring that the Chief Executive comply with the terms of Article VII, Section 7.e. of the Home Rule Charter with respect to the 2007 fiscal year.

Sponsors: Chuck McCullough, Matt Drozd, Vince Gastgeb, Jan Rea and William Russell Robinson

Summary: *Mr. McCullough provided the committee with a summary of the bill. He said that the motion would require that the Chief Executive to comply with the terms of the Home Rule charter in by disclosing, in a writing delivered to all of Council by January 22, 2007, any County operating deficit for 2007 and the sources and intended uses for any and all revenue received by the County from the Commonwealth since December 1, 2007. In addition, the motion requires disclosure of any remedial action he has taken or intends to take with respect to any such deficit together with his recommendation for any other necessary steps.*

The Chair asked if any Members of Council received a letter to that affect. There were no Members that said that they received the letter.

Mr. DeFazio said that at the January 15, 2007 Regular Meeting of Council the Chief Executive said that he would submit the letter to Council. He also said that since the Chief Executive is required to comply with this anyway that the Motion seems unnecessary.

Mr. Drozd spoke in support of the Motion.

Mr. Macey spoke against the Motion.

Mr. McCullough said that when the Chief Executive submits the letter he will withdraw the Motion.

The Chair said that the Chief Executive did apologize to Council for not informing them in a timely fashion and that he would submit the letter. He said that he would like the letter to be delivered no later than February 5, 2007, the scheduled date of Council's next Regular Meeting.

Mr. DeFazio asked Mr. Flynn if he and Mr. Onorato discussed the letter. Mr. Flynn said that they did discuss it but he has not had a chance to write it yet. He said that he will make sure that the letter is delivered soon.

The Chair reiterated Mr. McCullough's offer that if the letter is delivered prior to February 5, 2007, Mr. McCullough will withdraw his Motion.

Action: Held in Committee

V. Adjournment

Summary: *The meeting was adjourned at 5:40 PM*