

# **Allegheny County Council**

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## **Meeting Minutes - Approved**

**Wednesday, August 26, 2015**

**4:00 PM**

**Gold Room, 4th Floor County Courthouse**

### **Committee on Budget and Finance**

*Michael Finnerty, Chair;  
Nick Futules,  
Amanda Green Hawkins,  
Heather Heidelbaugh, Terri Klein,  
Bob Macey,  
Sue Means,  
John Palmiere and  
Jan Rea  
-Members*

## I. Call to Order

*The meeting was called to order at 4:00.*

### Invited Guests:

**William D. McKain, CPA - County Manager or Designee**

**Mary C. Soroka - Director, Office of Budget and Finance or Designee**

**Quintin Bullock - President of CCAC**

*Mr. McKain was present from the Office of the County Manager.*

*Ms. Soroka, Ms. Celestino and Mr. Cox were present from the Department of Budget & Finance.*

*Mr. Tyskiewicz was present from the Department of Administrative Services.*

*Ms. Weise and Ms. Chirdon were present from the Office of the Controller.*

*Dr. Bullock was present from CCAC.*

*Mr. Barker and Mr. Szymanski were present from the Office of County Council.*

## II. Roll Call

**Members Present:** 6 - Heather Heidelbaugh, Sue Means, Jan Rea, Nick Futules, Terri Klein and Michael Finnerty

**Members Absent:** 2 - Amanda Green Hawkins and John Palmiere

**Members Phone:** 1 - Bob Macey

**Members** 3 - Chuck Martoni, John DeFazio and Ed Kress

**Non-Members:**

## III. Approval of Minutes

[9126-15](#)

Motion to approve the minutes of the Budget and Finance Committee meeting of Allegheny County Council held on June 24, 2015

**Passed**

## IV. Agenda Items

### Resolutions

[9067-15](#)

A resolution amending the New Home Construction/Improvement Program enacted May 23, 1996 by the Board of Commissioners of Allegheny County at Agenda No. 700-96, subsequently amended by Resolutions Nos. 22-00, 6-01, 61-02, 04-04-RE, 49-05-RE, 07-08-RE, 25-09-RE, 30-11-RE and 6-14-RE by providing for the continuation of the Allegheny County New Home Construction/Improvement Exemption Program.

**Sponsors:** Council Member Means

*At the request of the Chair, the clerk read the title of the bill and Ms. Means described*

her intent in introducing the bill, noting that she had been encountering information that indicates that new home construction is down within the County, and that single family dwellings generate more tax revenue than commercial, multiple family homes on a per household basis, so her goal is to encourage people to build single family dwellings and become long term residents of Allegheny County. Ms. Means also discussed the history of the legislative renewals of the abatement program.

The Chair discussed the participation rate in the Act 202 abatement program, noting that the participation rate does not appear to depend on the abatement amount insofar as participation has hovered between roughly 1,700 and 2,100 property owners in each of the last several years. The Chair noted that the County is foregoing just over \$1.3 million in 2015 as a result of the Act 202 abatement, and suggested that the value of the abatement program per property owner is likely less than the aggregate value of the abatement program to the County as a whole if it were put towards roads, bridges, or other public purposes.

Mr. Futules suggested that allowing the abatement to sunset may forestall future millage increases to at least some extent, and indicated that his belief is that development is proceeding more rapidly in surrounding counties because they have more acreage that can be developed, while Allegheny County is relatively densely populated.

In response to questions from Ms. Klein, Ms. Means noted that some of the data that she had provided was on a national scale, rather than within Allegheny County and also expressed a willingness to obtain more data relating to the average home cost in Allegheny County.

Ms. Klein expressed her belief that the abatement program may be regressive in nature, insofar as individuals who are in a position to purchase a new home may not be the most in need of an incremental, temporary tax abatement.

Ms. Means suggested that the \$1.3 million savings that could be derived from the program lapsing pales in comparison to some of the other tax incentive programs that are offered to businesses and other larger entities.

Ms. Rea noted that she had recently seen a report that new home construction is increasing of late, and that she would like to obtain more information on the subject prior to making a final decision.

Ms. Rea and the Chair noted that the revenue difference between continuing the program and not continuing it is something that will be contemplated in the budget process for 2016.

The Chair noted that his district, Ms. Rea's district and Mr. Baker's district are likely experiencing the most significant rates of new home construction.

Ms. Rea noted that the County tax burden is comparatively small compared to school district taxes, and that the County abatement program may not be viewed as significant in comparison.

Mr. Futules suggested that letting the abatement sunset does not mean that it could never be put into effect again.

Ms. Heidelbaugh noted that she has consistently voted against large TIF and LERTA arrangements, and that those tax incentives benefit business entities and are

significantly larger than the revenue foregone through the Act 202 abatement. She suggested that the businesses that benefit from new home construction tend to be smaller businesses, that the construction industry as a whole provides significant benefits to the economy, and that she views the Act 202 abatement as being a benefit for those small businesses that far exceeds the \$1.3 million in lost County tax revenue.

Mr. Futules indicated that he on occasion agrees with Ms. Heidelbaugh with regard to TIF and LERTA votes, depending upon the circumstance. He also noted that he operates a small business, that he has the ability to incentivize purchases by slightly reducing his profit margin, and that there should be no reason that a new home builder could not do the same.

Ms. Means suggested that allowing the abatement to sunset might cause a fair amount of disquiet among individuals who may think that they are eligible for participation beyond the sunset date.

The Chair noted that the comparison between TIF and LERTA arrangements and the Act 202 abatement is not necessarily equitable, because the tax increments involved in those programs provide public benefits to the extent that they are used to construct infrastructure improvements.

In response to a question from Mr. Futules, Ms. Means noted that she is not specifically aware of the existence of the Act 202 abatement in neighboring counties. Mr. McKain noted that the Act 202 abatement is not available in at least several of the surrounding counties.

In response to a question from Ms. Rea, Mr. McKain indicated that the County does not undertake interim assessments, but that the County doesn't begin taxing properties until the calendar year after the new home is occupied.

Ms. Rea reiterated her desire to gather more information regarding new home construction rates in Allegheny County.

Ms. Heidelbaugh suggested that the County has been entirely willing to select corporate entities for favorable tax treatment or other funding, only to see those corporate entities pursue their self interest to the detriment of the County, and that the County would be better served by attempting to adopt a cohesive tax strategy in order to incentivize the entities that actually operate to the benefit of the County and its residents.

The Chair expressed agreement to the extent that he is frustrated by corporate entities pursuing their own self interest to the detriment of the community. Ms. Heidelbaugh suggested that TIF and LERTA arrangements are perhaps distinguishable from other financial benefits conferred.

In response to a question from Ms. Rea, Mr. McKain and the Chair noted that not everyone who buys a new home participates in the abatement program for various and sundry reasons.

Ms. Klein expressed a desire to obtain information regarding which communities are experiencing new construction growth and the average home cost.

**Held in Committee**

[9122-15](#)

A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2015 (Submission #07-15).

**Sponsors:** Chief Executive

*At the request of the Chair, the clerk read the title of the bill and Mr. Szymanski provided an overview of its provisions.*

*Ms. Means expressed interest in the grant relating to the Immigrant Community Blueprint. Ms. Celestino noted that the primary purpose of the grant is to undertake an assessment of what services are needed within the community, and Ms. Soroka indicated that a part of that process will be to determine what services already exist.*

*In response to a question from Ms. Heidelbaugh, Ms. Celestino indicated that the Department of Human Services has indicated that the immigrant population from Asia appeared to be increasing comparatively rapidly. Mr. McKain offered to attempt to get additional detail on the issue.*

*Ms. Klein noted that various entities such as Catholic Charities provide at least some services for refugees, and that there may be wisdom in contemplating the needs of individuals, particularly children, who have spent meaningful portions of their lives as refugees.*

*With regard to the police analytics grant, Ms. Means asked about crime rates in various areas of the County, and Mr. McKain indicated that data does exist on the topic, but that it may not be completely precise inasmuch as crime doesn't necessarily confine itself to one address.*

*Ms. Means asked if the National Public Health Accreditation block covers only one cost of application for accreditation, and Ms. Celestino indicated that it does, but that the accreditation is for a five year term.*

*Ms. Means indicated that her understanding is that the accreditation makes it more likely that the County could secure grant funding from other entities while it remains in effect.*

*Ms. Means asked about the purpose of the Dignity and Respect Training program in the Health Department, and Mr. McKain noted that the idea was to ensure that the Department keeps up with best practices as they evolve as a continuing program of training.*

*In response to a question from Ms. Heidelbaugh, Ms. Celestino provided additional information regarding the founder of the training campaign. Ms. Heidelbaugh expressed reservations about the expenditure for training on a subject that should be a matter of common practice in professional settings.*

*The Chair and MS. Heidelbaugh discussed the procedure regarding a vote on the bill, with the Chair noting that any one grant would have to be removed from the bill by amendment in order to separate the Council's approval for one from the others.*

*Ms. Means and Ms. Celestino discussed the possibility of County personnel continuing training efforts after the grant funded program is completed.*

**Affirmatively Recommended**

**Members Yes:** 5 - Means, Rea, Futules, Klein and Finnerty

**Members No:** 1 - Heidelbaugh

**Members Absent:** 2 - Green Hawkins and Palmiere

**Members Phone:** 1 - Macey

**Members** 2 - Martoni and DeFazio

**Non-Member:**

[8228-14](#)

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, urging the Pennsylvania General Assembly to enact a with all deliberate speed an act authorizing the governing bodies of counties of the second class to provide by ordinance for the implementation of tax provisions to allow for a property tax freeze for qualifying senior citizens.

**Sponsors:** Council Member Heidelbaugh

*At the request of the Chair, Ms. Heidelbaugh discussed her intent in introducing the bill and described the nature of the senior citizens' property tax freeze as it was implemented by the General Assembly for Philadelphia. She noted that the concept is that, at some point, seniors' income becomes stagnant in many cases, while their assessed values and, consequently, their property tax bills, tend to continue to increase over time. She provided examples of the potential impacts of increasing assessments upon seniors, as contrasted with the effect of a tax freeze, and suggested that the budgetary impact of a freeze would be minimal in comparison to the revenue that the County foregoes in incentives to large corporate entities.*

*The Chair noted that property owners participate in the County's senior property discount program in varying numbers from year to year, but that Philadelphia does not have an equivalent program. The Chair highlighted the differences between Philadelphia's structure and Allegheny County's, and suggested that this difference may render the different approach to property taxes paid by seniors appropriate.*

*The Chair and Ms. Heidelbaugh discussed the difference between an assessment freeze and a freeze on the amount of taxes paid.*

*Ms. Heidelbaugh requested that the bill be held pending additional information gathering.*

*Mr. Kress suggested that a freeze in tax amount may be an unwise idea insofar as senior property owners may no longer have an incentive to appeal their assessed values, and that the assessed value of a given home owned by a senior in the program may go up at a comparatively great rate to the detriment of future buyers. He also suggested that freezing tax bills could work to the detriment of the seniors participating in the program if they happen to own property in an area in which property values are depreciating.*

**Held in Committee**

**Discussion Topic: Community College of Allegheny County**

*At the request of the Chair, Dr. Bullock gave a brief presentation regarding the activities and structure of CCAC, describing the demographics of the student body and graduate population, fields chosen by students, academic programs that have received recognition for their efforts, and new courses of study. Dr. Bullock described the College's budget, noting that there was no tuition increase for 2015-16 and providing a breakdown of the types of expenditures funded through the College's budget.*

*The Chair asked about the mobile application software development program, and Dr. Bullock indicated that the program is aimed at educating students with regard to development of applications for mobile telephones and other portable devices.*

*The Chair and Dr. Bullock discussed the ability of CCAC students to transfer credits to local universities, with Dr. Bullock noting that the University of Pittsburgh is the most common destination, but that Carlow, Duquesne, Penn State, and other schools are also available as transfer destinations.*

*In response to a question from Ms. Klein, Dr. Bullock indicated that CCAC currently has about 400 students involved in the Pittsburgh Promise program, and described the programs that have been developed in part in order to interface with the Pittsburgh Promise program.*

*In response to questions from Ms. Klein, Dr. Bullock discussed the College's admission system and described that the College works with local high schools in order to attempt to ensure that students who have an interest in attending the College are adequately prepared to succeed while there. Dr. Bullock also noted that the goal is to try to reduce the amount of remedial education that has to take place in order to allow students to succeed.*

*Mr. Macey thanked Dr. Bullock for his continuing support for the FireVEST and aviation programs.*

*Ms. Heidelbaugh and Dr. Bullock discussed the College's nursing program, with Dr. Bullock describing how the program works, the prerequisites that are necessary, and joint efforts with Carlow.*

*In response to a question from Ms. Heidelbaugh, Dr. Bullock described the College's welding program, noting that it is filled to capacity, so the College is looking into opportunities to expand the number of spots that are available within the program.*

*Ms. Heidelbaugh and Dr. Bullock discussed the potential for significant employment during and after construction of Shell's new cracker plant in Beaver County. Dr. Bullock noted that the College has already begun discussing the types of skills that will be in demand at the plant.*

*In response to a question from Ms. Heidelbaugh, Dr. Bullock discussed the financial implications of College attendance and need-based financial aid programs.*

*In response to questions from Ms. Means, Dr. Bullock noted that the nursing program is very competitive, and that there are always more applicants than there are spots in the program, but that the board passage rate is over 80%.*

*Mr. DeFazio and Dr. Bullock discussed the criteria that may come into play for financial aid determinations.*

*In response to a question from the Chair, Dr. Bullock indicated that the College's workforce development programs essentially provide training for staff at local businesses, and that the programs do generate some funds for the College.*

*The Chair and Dr. Bullock discussed the programs that are available at the College's West Hills Center.*

*In response to a question from the Chair, Dr. Bullock noted that remedial courses can be taken up to three times before the student becomes ineligible to take the course again. Dr. Bullock also described some of the efforts that are being undertaken in order to increase the success rate for remedial courses.*

**V. Adjournment**

*The meeting was adjourned at 5:56.*