

Allegheny County Council

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Meeting Minutes - Approved

Wednesday, October 14, 2015

4:00 PM

Conference Room 1

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 4:01.

Invited Guests:

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

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

Ms. Wagner, Ms. Weise, Ms. Chirdon, Mr. Lentz, Mr. Caito and Ms. Jacob were present from the Office of the Controller.

Mr. Barker, Mr. Szymanski, Ms. Perez and Ms. Bertoni were present from the Office of County Council.

II. Roll Call

Members Present: 3 - Sue Means, Terri Klein and Michael Finnerty

Members Absent: 6 - Amanda Green Hawkins, Heather Heidelbaugh, Bob Macey, John Palmiere, Jan Rea and Nick Futules

III. Approval of Minutes

[9211-15](#)

Motion to approve the minutes of the October 7, 2015 meeting of the Committee on Budget & Finance.

Passed

IV. Agenda Items

[9207-15](#)

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.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and the Chair indicated that his intention is to allow discussion of the millage ordinance, but not to release the bill for a final vote at this time.

Ms. Means and the Chair discussed the virtues of conducting the budget hearings prior to a final vote on the millage ordinance.

The Chair summarized the ordinance as drafted, and differentiated property tax revenue from other revenue that the CFP delineates for 2016. The Chair discussed the County's contribution to the Port Authority's budget and the alcoholic beverage and rental vehicle tax revenues, and described exactly how the CFP figures were calculated in those areas. The Chair indicated that the bulk of the appropriation in the CFP (totalling over \$30 million) is the County's match for the Port Authority's operating budget, while just over \$8 million is going to the Authority's capital budget, in accordance with the provisions of Commonwealth law that govern the County's matching obligations.

The Chair discussed the imprecise nature of budgeting, noting that expenses do not always match what is anticipated during the budget process.

Ms. Means suggested that the revenue figures suggest that more poured alcoholic beverages are being consumed, more vehicles are being rented, and that gambling is less frequent. The Chair indicated that the County's share of gaming revenue comes only from slot machines and not table games, so the lower County share of gaming revenue may indicate a shift from slot machine play to table games.

Ms. Means and Ms. Soroka discussed the nature of anticipated federal funding reductions.

Held in Committee

Discussion Topic - Financial Status of the County, presented by Allegheny County Controller Chelsa Wagner

At the request of the Chair, Controller Wagner provided a report on the financial status of the County as of August 31. Ms. Wagner noted that the County's revenues are down by roughly \$36 million from 2014, and that this is primarily due to the Commonwealth's budget impasse, while about \$15.3 million in property tax revenues is currently listed as unrealized, but that this is largely due to the implementation of a new computer system by the Office of the Treasurer, and that updated receipt figures are made available as the records are processed through the new system. Ms. Wagner indicated that the County's pension program is funded at 60.3%. Ms. Wagner noted that rental vehicle tax receipts are approximately \$862,000 higher than they were in 2014, with some uncertainty regarding the penalty to be paid by one of the rental vehicle companies that had underpaid the tax.

The Chair and Ms. Wagner discussed the significance of figures indicating that some departments or offices have spent more than 2/3 of their budgeted amount for certain line items, with Ms. Weise noting that some departments expend more on certain items earlier in the year, which likely accounts for most, if not all, of the apparent slight overspending through August 31.

Ms. Wagner described the cash balances in 2015 in relation to those from 2014, again highlighting the effect of the Commonwealth's budget impasse on the County's finances, noting that Aging, CYF, Behavioral Health and Community Services are the only agencies that are currently receiving state funds. Ms. Wagner noted that the effects would likely be manageable by the County until at least December.

Ms. Wagner provided additional detail relating to the position of the retirement fund.

In response to a question from the Chair, Ms. Wagner acknowledged that market conditions were not favorable in August, and that the pension fund may have recovered to some extent after that, but that those figures are not yet available.

In response to a question from Ms. Klein, Ms. Wagner noted that property tax refunds are down, and Ms. Weise speculated that this may be due to fewer appeals requiring resolution as time passes.

In response to a question from Ms. Means, Ms. Weise indicated that expenditures appear to be on target in relation to the operating budget, and that providers are bearing the brunt of the Commonwealth's budget impasse, because they are the ones who are not receiving pass through funding. Ms. Wagner suggested that this may be a situation that

not all providers can bear for the long term, given the margins on which they operate.

Ms. Wagner distributed a second handout that compares the proposed 2016 budget to 2014 and 2015. Ms. Wagner highlighted the impact of the \$5 vehicle registration fee, other revenue increases, and other revenue and expenditure fluctuations from 2015 to 2016.

In response to a question from Ms. Means, Ms. Weise noted that additional employees may account for an increase in salary appropriations for 2016. Mr. McKain indicated that providing medical services at the County Jail has resulted in the majority of the County's additional staff hires for 2016.

V. Adjournment

The meeting adjourned at 4:57.