

Allegheny County Council

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



Committee Meeting Minutes

Wednesday, October 12, 2005

4:00 PM

Verbatim Minutes - Stenographer

4th Floor, Gold Room

Special Committee on Property Assessments

Rich Fitzgerald, Chair; Committee of the Whole

I. Call to Order

Invited Guests:

Jim Flynn, County Manager or Designee
Tim Johnson, Director, Administrative Services
Sam Wilson, Acting Manager, Property Assessment
Deborah Bunn, Chief Assessment Officer
PAAR Board Members

Wayne Biernacki, President of Real Estate Tax Consultant Inc.
Victoria Lowrey, President of the Realtors Association of Metropolitan
Pittsburgh
Attorney Ira Weiss

II. Roll Call

Roll Call: Present: Rich Fitzgerald, Joan Cleary, John DeFazio, Dave Fawcett, Ron Francis, Brenda Frazier, Vince Gastgeb, C.L. Jabbour, Edward Kress, Chuck Martoni, Rich Nerone, Doug Price, Jan Rea, William Robinson, and Eileen Watt

III. Agenda Items

2133-05

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and reforming Article 210 of the Administrative Code entitled "Assessment Standards and Practices" to provide for a fairer and more stable property assessment system in Allegheny County.

Sponsors: Chief Executive

Summary: *Verbatim Minutes - Part One*

ALLEGHENY COUNTY COUNCIL

SPECIAL COMMITTEE ON PROPERTY ASSESSMENTS

BEFORE:

Richard Fitzgerald - President, District 11
Charles Martoni - Vice President, District 8
John P. DeFazio - Council-At-Large
David B. Fawcett, III - Council-At-Large
Ronald Francis, Jr. - District 1
Jan Rea - District 2
Edward J. Kress - District 3
Douglas L. Price - District 4
Vincent J. Gastgeb - District 5
Joan Cleary - District 6

Eileen Watt - District 7
C. L. Jabbour - District 9
William R. Robinson - District 10
Richard Nerone - District 12
Brenda L. Frazier - District 13

*Allegheny County Courthouse
Fourth Floor, Gold Room
436 Grant Street
Pittsburgh, Pennsylvania 15219*

Wednesday, October 12, 2005 - 4:00 p.m.

VOLUME 1 - Pages 1 - 134

*PAPPAS REPORTING SERVICE, INC.
Registered Professional Reporters
710 Fifth Avenue - Suite 1000
Pittsburgh, Pennsylvania 15219-3003
(412) 566-2209 FAX (412) 566-1070
e-mail: pappasrs@aol.com
Listed: Martindale-Hubbell*

*PRESIDENT FITZGERALD: We are going to begin
this meeting, Special Committee on Property
Assessments.*

*I appreciate everybody's indulgence. Let me
recognize Council Members, Councilwoman Cleary,
Councilman DeFazio, Councilman Francis, Councilwoman
Frazier, Councilman Gastgeb, Councilman Martoni,
Councilman Nerone, Councilwoman Watt, Councilwoman Rea,
and Councilman Price.*

*This Special Committee is going to meet
beginning here at four o'clock tonight at sundown.
Being Yom Kippur, we are going to end this meeting at
six o'clock. If we have not finished the business at
hand, we will recess the meeting and come back Friday at
five o'clock.*

*My intent as Chair of this Committee is to get
whatever Bills that are presented this evening out of
this Committee to be brought before the full Council at
our October 18th meeting, so hopefully we can get
through this.*

I notice there is one Bill that we referred back to Committee last meeting and I understand there's another Bill that some members of the Republican caucus are going to present; and at this time I'd like to ask for that Bill to be presented.

I guess, Councilman Price, you want to be the maker of the motion or make the introduction of that discussion of that Bill?

MR. PRICE: Sure, yes. On behalf of the seven Republican Councilpersons we did prepare an amended Bill. It should have been passed out last week. Jared did pass it out. Hopefully it's with the packet. If not, we are going to have to find Jared to make sure everybody gets copies. I will basically explain to you what the amendment means and what our purpose is.

In looking at this assessment issue, the Chief Executive has submitted several different proposals with regard to assessments. His first one, he was going to use the 2006 assessment numbers. That was his four percent plan. Unfortunately, that was found unconstitutional but he was to use the 2006 numbers, but they were never certified.

His next two plans, then, went back and used different variations of the previous assessments. What we came up with was basically we took a look at the numbers and what we felt were that the 2006 numbers more accurately represented the fair market value of houses in Allegheny County than the 2002 numbers and recognizing that the Chief Executive's response to the 2006 numbers was that he did not like the fact that there was an overall approximate 20 percent raise in the values across the county.

In consideration of that concern, we looked to see if there was any way where we can possible reach a middle ground with regard to using the 2006 numbers yet trying to deal with the issue of the 20 percent overall increase. What we took a look at was what is called the predetermined ratio.

The predetermined ratio is the ratio upon which our houses are valued for assessment purposes. Currently it's 100 percent. So if you have a \$100,000 house, you're currently assessed on the full value or 100 percent of that value. Under the 2006 numbers, again, another example, if your house was valued -- this will be countywide -- if your house was valued at \$100,000 before the 2006 reassessment, on average if it went up \$20,000, your house would be worth \$120,000.

Since that was the Chief Executive's objection about the amount of jump in the assessment from the last

reassessment, what we said, we can take this predetermined ratio in the residence and roll back that 20 percent increase so countywide it would be a zero percent or revenue neutral increase. So we did that. We ran the numbers. Basically what we came up with was in order to roll back the amount of percentage that the average increase was from the 2006 numbers, we had to reduce it by 15.9 percent or something like that, so it's 84.0625 percent would be the new predetermined ratio.

Basically that's a mathematical formula because if you take that \$100,000 house, if you raise it to \$120,000, if you knock off 20 percent, you're going to drop it to \$96,000. So to get back to the \$100,000, you have to take \$120,000 times 84.6 and get back to real close to \$100,000. So, in essence, revenue neutral plan for the whole county.

All we have done with regard to our amendment, it is simple. There is basically one section of the Administrative Code where it talks about the predetermined ratio. We have basically left the assessment statute as it was before all of these amendments with the Chief Executive went into effect and basically all we did was we amended the one provision to replace the 100 percent with 84.0625 percent and that's really the only amendment although it's a rather lengthy amendment in itself.

The reason why we had to make it that long is because, again, this is a legal issue because the Chief Executive, whenever he passed the first Bill, the four percent, Judge Wettick threw out certain provisions of that Bill but he kept certain provisions of that Bill in effect. So what we did was we simply went back to the assessment law as it stood before or, say, the beginning of the year January of 2005, and the Assessment Ordinance January 2005 was simply the predetermined ratio change. So that is our suggestion.

Again, as I have said in various venues this past week, you know, it was our attempt to try to reach some type of compromise on this issue because we seem to be spinning our wheels on the assessment issue for this whole year and, again, that's up for debate. It is our intent to try to reach some compromise on the issue of assessments.

Thank you.

PRESIDENT FITZGERALD: I guess I will start with questions. Any other members of Council who have questions? First of all, do any other members, any sponsors of this Bill wish to speak on this?

The 84.0625 predetermined ratio, did that deal with commercial and residential properties or did that strictly deal with residential?

MR. PRICE: Deals with all properties.

PRESIDENT FITZGERALD: Does this plan --

MR. FRANCIS: Rich, the point, though, is this PRD ratio would be set once the values are certified.

PRESIDENT FITZGERALD: So it could be different is what you're saying?

MR. FRANCIS: Sure. We are going to set the ratio in order to bring revenue neutrality. So if we go back to the way it was in January, once the Chief Assessment Officer would -- once we produced the uncertified values, once we produced the uncertified values, we would then multiply the ratio, whatever needs to be, to revenue neutrality against those. Until we were given the sort of official uncertified values, we can't come up with it exactly. By our calculations, it's approximately 84 as far as based on the information we have been given.

PRESIDENT FITZGERALD: What do we do with appeals, then? What do we do with the appeals afterwards? How does that affect the predetermined ratio?

MR. FRANCIS: That would not affect it.

PRESIDENT FITZGERALD: What about going forward, say, next year in 2007, what would we do with the predetermined ratio then?

MR. FRANCIS: You would do the same thing, look at the overall growth of the assessed value and then you would multiply predetermined ratio, whatever you would set the predetermined ratio to give countywide revenue neutrality.

PRESIDENT FITZGERALD: In essence, we are going to be reassessing every year under their Bill?

MR. FRANCIS: No, I don't think that's the case.

MR. PRICE: As the Bill currently stands, there won't be an assessment until 2009 as we previously passed. I think that in thinking this through with regard to how this is going to work, obviously we planned this year to be the appeal year. We were going to certify the values early in the year and allow all of 2005 to be the appeal year and then the numbers, we have been calling them the 2006 numbers because they wouldn't be used for tax purposes until 2006.

PRESIDENT FITZGERALD: All right.

MR. PRICE: Considering what we have gone through this year, I don't think that we should try to

get this done by the end of the year, in essence, try to have these numbers used for 2006. I think that it would only make sense that if we would pass this amendment, that it would become effective like a year ago, in other words, use all of 2006 for appeals and these numbers would become effective in 2007.

PRESIDENT FITZGERALD: What would he used for 2006 taxing?

MR. PRICE: I think at this point considering what we have gone through, we are going to have to use the numbers we used for 2005 for tax purposes.

PRESIDENT FITZGERALD: Which are the 2002 numbers?

MR. PRICE: No, 2002 with the appeals and things of that nature.

PRESIDENT FITZGERALD: 2002 adjusted?

MR. PRICE: Correct.

PRESIDENT FITZGERALD: Which is basically what the Onorato plan is under the base year scenario.

MR. PRICE: I disagree with that.

PRESIDENT FITZGERALD: What did they use?

MR. PRICE: They do use the 2002 but they don't --

PRESIDENT FITZGERALD: They don't adjust them for appeals?

MR. PRICE: But not under -- we will talk about it. I don't think it's a proper base.

PRESIDENT FITZGERALD: I'm trying to get a comparison. If your plan goes into affect in 2007, we have to use something for next year to set values.

MR. PRICE: What did we use this year?

PRESIDENT FITZGERALD: 2002 numbers.

MR. FRANCIS: 2004 numbers.

PRESIDENT FITZGERALD: 2004 numbers are the 2002 numbers adjusted for appeals.

My other question, I guess, is, okay, we are going to set the predetermined ratio with the values after appeal. So after appeals, we saw for the 2001 and 2002 reassessments, we had 90,000 appeals in each year. I don't know how many we are going to have this year. If we use those numbers, there are going to be a lot of people appealing, which would most likely break the numbers down, total valuation down a significant amount.

MR. PRICE: To answer your question, as Councilman Francis said, we set the predetermined ratio whenever the values are certified by the Chief Assessment Officer.

PRESIDENT FITZGERALD: If there's an

adjustment through appeals that brings that valuation down significantly, which happened in 2001 and 2002, do we then adjust the predetermined ratio again?

MR. PRICE: No, I don't believe so. With regard to --

MR. FRANCIS: It would be no different than how we do it every year. You set an estimate of what you think the assessment appeals are going to be and set the millage accordingly.

PRESIDENT FITZGERALD: With the base year scenario you have a system. This system is going to generate a lot of appeals because of the wild fluctuations in using the 2006 numbers.

MR. PRICE: I believe that the 2006 numbers, and I believe the Chief Assessment Officer will verify the 2006 numbers are better than the 2002 numbers were. Yes, there are to be some appeals. There would be appeals under any scenario under a reassessment, but that's what you have to go through to get accurate numbers.

PRESIDENT FITZGERALD: Do any other members have any questions?

Ms. Cleary.

MS. CLEARY: Yes. I have a question about the PDR. I thought I understood it but we are going to apply that to every property; correct?

MR. PRICE: PDR, predetermined ratio.

MS. CLEARY: We are going to apply that to every property?

MR. PRICE: Yes.

MS. CLEARY: If properties are under or overassessed, that's still going to stay the same?

MR. PRICE: No. I believe that under the --

MS. CLEARY: You're going to multiply them by the same number; right.

MR. PRICE: Yes. However, the 2006 numbers were fairer. In essence, what it did was it took care of a lot of those underassessed and overassessed properties and got them more towards the middle, more towards equal. So, yes, if there's a property that is still -- I think we all agree, that there is still problems with the 2006 reassessment. We are not saying it's perfect, we're just saying it's better than 2002 and the numbers bear that out.

So, yes, if there is a house that is still underassessed or a house overassessed and, again, we can find individual houses that fit that scenario, yes, there's still going to be a problem with over and underassessment; but, remember, those inequities still

exist here today no matter what plan we have. The question is do we want to fix them? Do we want to establish if we can fix them the best we can, and the numbers bear out the 2006 numbers do that better.

MS. CLEARY: So we are still not having any stability in this system because every year we are going to have a different PDR and no one is going to know where their assessments are going to be then?

MR. PRICE: No, I disagree. The question isn't --

MS. CLEARY: You told me this number is because the numbers we have right now. So if we have different numbers in another year, then we are going to have a new PDR and it's going to get complicated again.

MR. PRICE: It goes back to the question to your assessment, with simply stability, is it fair to you.

MS. CLEARY: I believe it is.

MR. PRICE: There are even inequities in the system just because it's stable.

MS. CLEARY: That's what the appeal process is for.

MR. PRICE: We have a disagreement on that because I don't believe stability should be our goal. Fair and accurate assessments should be the goal, which is our goal; and if we want to have a stable inequitable system, let's vote for that. I don't think that's what we should be striving for.

MS. CLEARY: The appeals process makes it more equitable. I believe all the surrounding counties are doing this, and we are at a definite disadvantage because in my neighborhood people are going to Peters, going to build in Peters because of the cost. Jobs are going there for building. Everything is going there and we are going -- we have less stability and we are unstable here because they are all going out of Allegheny County because it's easier to do business in other counties and, you know, with what your Bill's going to be.

PRESIDENT FITZGERALD: Mr. Francis and Mr. DeFazio.

MR. FRANCIS: I guess I would add a couple comments. One, the goal is stability in the long run, but I think we want to get the assessments fair and equitable first. That's going to require going through some more reassessments to make that happen. We know that's been neglected, the assessment system, for a long time. It didn't get fixed in one or two years. It takes time. Once we get through these painful

reassessments, and no doubt they are painful, then the system will be a lot more stable, not only fair and equitable, more stable in the long run.

I also submit that we hear a lot about the fact that people are going to -- people are leaving. Well, if they are currently leaving and building in Peters, there is something driving them to do that; and if you looked at, you know -- our change was published in the Post-Gazette that shows the average decreases. When you apply the .84 PDR, you will see there's a significant number of municipalities that are overassessed. Anyone that shows a negative on our chart indicates currently overassessed relative to other municipalities.

It's possible the reason why people are leaving, you know, certain neighborhoods is because they are currently paying someone else's taxes, paying more than their fair share and tired of doing that, so they are leaving. I think that you have to consider that as part of the reason why people may be leaving. While they may be stable, to leave them at the 2002 level, you're leaving them stable at an unfair level, so people are going to vote with their feet and they are leaving.

PRESIDENT FITZGERALD: I will let you respond.

MS. CLEARY: I just wondered how do you know their assessments are too high? That's what I don't understand. How do you know that it's too high? If it was, they should have appealed and it should have been evened out.

MR. FRANCIS: It's all relative to others. If you take the new 2006 assessed values and you might apply them by predetermined ratio, that get you to the revenue neutrality. Anyone who would see their assessment decrease under that situation is currently assessed too high relative to everyone else. Everyone who would see their assessment increase under such a situation is currently underassessed relative to anyone else. That's just the fact.

So if we let that inequity stay in place and don't fix it, then I think that's going to be frustrating to people. We have to all understand that one of the -- we talk about the appeals process fixing the problem, but I would submit to you there's two, at least two situations where that does not work.

One, many of the people, at least if you look at the communities that are currently going to see an average decrease under our plan, many of those communities are of the lower end of the economic scale;

and I think one conclusion you could draw from that fact is that potentially the people in those communities, if they realize they are overassessed, don't have access or the funds to hire lawyers or whatever they need to do to fight for their appeals, and that's one reason why they are maintaining their overassessed status.

More importantly, one of the other situations is, someone may be correctly assessed but they are still paying more than their fair share if someone else is underassessed and they can't appeal other people's assessments; and I don't think it's fair for us to put people in the situation of where they should appeal their neighbors' assessments.

School districts, like it or not, they take the easy way out. They only appeal recent sales because they don't have to hire an appraiser to go out and appraise the home and have someone's assessment raised. They have to go down to the Court House and get the deed and look at the sales price and that's their evidence they submit in that appeal. They raise up certain people but they don't raise up everybody else who have comparable homes in the area.

This situation is true regardless of the economic status of the neighborhood. This is true, in fact, this probably occurs more in the higher end neighborhoods because it's worth it to the school districts to appeal some of the higher end homes to pay more lawyers to do that. When there's a sale, they see increased revenue from it. They won't appeal long term where they have to hire an appraiser and assessor, they don't bother; and that situation creates a situation where if you only bring certain people up to the recent sales price and leave everyone else too low, then the person who you brought up is paying a disproportionately high portion of the tax burden and that's not fair.

You talk about discouraging people from moving to Allegheny County, if you tell people in certain neighborhoods if you move into the North Allegheny School District and you pay fair market value for your home, the school district is going to appeal that and have that value, who is going to buy that home? They are going to say, well, I'm not going to put myself in the situation where I'm going to be paying more for the exact same services than my next door neighbors get and they are paying less taxes. This will, in my view, freezing at the 2002 level will discourage home ownership, discourage people from buying homes in Allegheny County, not the other way around.

I feel very strongly about that, and I think

it would be -- I think our plan would carry through the reassessment which will level out, not perfectly level out inequities, but I think it would not discourage people from moving into the county.

PRESIDENT FITZGERALD: Mr. DeFazio and then Mr. Gastgeb.

MR. DE FAZIO: First of all, all this fairness, what people want, if you talk to what people want is like all the surrounding communities around them. I don't care how much money you have, I don't know anyone who is happy to pay more taxes or have increases. They want to be treated like the ones around them; but let me ask Mr. Price, I asked this question the last time, I said under your plan or the Republican plan or whatever plan you want to call it, almost 50 percent of the residential properties would go up; isn't that correct?

MR. PRICE: I haven't run the numbers. I can't tell what you the numbers are and how they change. Yes, obviously some people, their assessments are going to go up and some are going to go down.

MR. DE FAZIO: If it was almost half, do you think that's fair?

MR. PRICE: I think if you have --

MR. DE FAZIO: Look, if you talk to these people individually and say, look, almost half of this county is going to go up or if you stay under Dan's plan, you're going to stay the same, what do you think they'd want you to do?

MR. PRICE: I think the question should be is it fair to be paying more than your fair share of taxes.

MR. DE FAZIO: I'd be more than happy to go door to door and ask every individual what they want, really, would you like to go with this plan that the Republicans sponsor, and let them know the real truth, I don't know anyone in their right mind that would want to get increases, whether they deserve it or not.

MR. PRICE: Sure.

MR. DE FAZIO: There's a lot of people that are going to be hurting because of this increase and a lot of people do talk, whether you want to admit it or not, I go to a lot of places and hear people talking, they are disgusted. Why should I build a home in Allegheny County? Look what's going on. You got to make it better for the people.

Let me ask you, you don't know the actual numbers. I would like to ask Mr. Flynn, if he could answer my question.

Mr. Flynn.

PRESIDENT FITZGERALD: Mr. Flynn, would you come forward to the podium.

MR. DE FAZIO: Mr. Flynn, under the Republican -- under that the plan that Mr. Price proposed or the Republican plan, what would be for residential properties, what would be the number of households, number of people, whatever way you want to say, that would increase?

MR. FLYNN: Based on the numbers we ran, a little over 223,000 residential properties would have an increased assessment.

MR. DE FAZIO: We are talking about 45 percent?

MR. FLYNN: About 45 percent.

MR. DE FAZIO: All right. I want to look at something. Looking at individual areas, like 223,000, I'm going to look at some of the areas like, for example, like taking -- we will start, look at Westview. What happens in somewhere like Westview to be specific?

MR. FLYNN: Westview, 1,200 properties would increase.

MR. DE FAZIO: By how much?

MR. FLYNN: It varies.

MR. FRANCIS: How many would decrease?

MR. FLYNN: Little bit more than 1,200.

MR. FRANCIS: More than 1,200.

MR. DE FAZIO: I got the floor.

PRESIDENT FITZGERALD: Mr. Francis, you will get your turn.

Go ahead, John.

MR. DE FAZIO: What about Moon Township?

MR. FLYNN: Based on the numbers that we ran nearly 3,800 properties, which are 44 percent of all residential properties in Moon Township, would increase.

MR. DE FAZIO: What about Ross Township?

MR. FLYNN: Ross Township would be 5,500 properties.

MR. DE FAZIO: Let's go down to Sewickley Heights.

MR. FLYNN: Sewickley Heights, 72 percent of all residential properties, which is 280 properties, would increase.

MR. DE FAZIO: How about Sewickley Hills?

MR. FLYNN: Sewickley Hills, almost 82 percent, 204 properties.

MR. DE FAZIO: What about McCandless?

MR. FLYNN: McCandless, little over 49 percent of all residential properties in McCandless would increase, little over 5,000 properties.

MR. DE FAZIO: Let's go down through my list of numbers. Take O'Hara?

MR. FLYNN: O'Hara Township, 56 percent of the properties, which are about 2,100.

MR. DE FAZIO: What about Shaler Township.

MR. FLYNN: Shaler, little under 8,000 properties in Shaler would receive an increase, which is a little over 64 percent of the properties.

MR. DE FAZIO: What about down in Crafton?

MR. FLYNN: Crafton, just under 65 percent of the residential properties would, which is a little over 1,400 properties would receive an increased assessment.

MR. DE FAZIO: What about McKees Rocks?

MR. FLYNN: McKees Rocks, 41 percent of the residential properties, 985 would increase.

MR. DE FAZIO: What about Pennsbury Village?

MR. FLYNN: 99 percent of the residential properties in Pennsbury, 496 properties would increase, increased assessment.

MR. DE FAZIO: Let's go down to Baldwin Township.

MR. FLYNN: Baldwin Township, 597 properties, residential properties, which is 65 percent, little over 65 percent would have an increased assessment.

MR. DE FAZIO: What about East Pittsburgh?

MR. FLYNN: East Pittsburgh, just under 40 percent or 251 residential properties would increase.

MR. DE FAZIO: Take, for example, like Squirrel Hill, do they go by Wards?

PRESIDENT FITZGERALD: 14th Ward.

MR. FLYNN: 14th Ward, just under 72 percent of all residential properties in the 14th Ward would increase. That's a little over 7,400 properties.

MR. DE FAZIO: What about the 7th Ward?

PRESIDENT FITZGERALD: That would be Shadyside.

MR. FLYNN: 7th Ward, just under 81 percent, 2,533 properties, residential properties would receive an increase.

MR. DE FAZIO: All right. There's a lot more but I just wanted to go over some of them. You can ask any other ones they want. Let me ask you another question. Under this plan that we are talking about, these 25,000 or about 25,000 people that got raised because of their municipalities, under that plan what's done for them? What happened to them?

MR. FLYNN: *We haven't taken a look for those 25,000 properties, but school districts could very well come back in, if their values decreased, school districts could say, I have a valid sale here from last year and go back to the Board of Property Assessment and have that assessment changed if the Board decided. So this plan doesn't fix those 25,000 properties.*

MR. DE FAZIO: *Under Dan's plan, what about those 25,000?*

Action: Released from the Committee

Enactment No: 45-05-OR

Summary: Verbatim Minutes - Part Two

MR. FLYNN: *Under the 2002 base year plan, 25,000 property owners, since we changed the methodology from market value for the county to a base year methodology, those 25,000 property owners would be able to come back, file an appeal and use uniformity and equalization as a basis for appeal. The school districts would not be able to use sales because under a base year methodology, a sales price of property is not controlling.*

MR. DE FAZIO: *I don't want to hog up the whole show. I will stop for now.*

PRESIDENT FITZGERALD: *Mr. Gastgeb.*

MR. GASTGEB: *I will defer to Mr. Francis.*

PRESIDENT FITZGERALD: *Mr. Francis.*

MR. FRANCIS: *"Show" was the operative word there.*

MR. DE FAZIO: *Here it comes now.*

MR. FRANCIS: *I found it interesting when you talked about Westview, you noted that -- Mr. DeFazio only asked you about the homes that would increase and in Westview you noted there would be more decreases than increases. We have never claimed there weren't going to be people going up and down. That's what happens when you do a mass reassessment, there's no doubt about that, and I don't think we ever tried to hide that. I think that in many of those towns you went through, certainly not all of them, there would be more decreases than increases.*

That really is the point, that if there are people -- if there are more decreases in McKees Rocks or Clairton or Brentwood, these places, than increases, why is it fair to those people who see decreases to leave it at the 2002 level methodology.

I would ask Mr. Flynn, what you stated about 25,000 appeals under your plan is an incorrect statement

because when a person lives in a \$200,000 home and they pay \$200,000 for it within the last year or two, the school board appeals and raises them up to \$200,000, under our plan they would bring that down to 84 percent of that value or \$168,000, if I'm doing my math correctly. It would remain that way. The school board couldn't appeal it and take it back up. The underlying value would be \$200,000. Once you applied the PDR, you would be back down to \$168,000. I think to suggest our plan doesn't treat those 25,000 people fairly, I think it's just completely incorrect.

MR. FLYNN: If I may respond.

MR. FRANCIS: I think your statement is wrong, but go ahead.

PRESIDENT FITZGERALD: Let him respond.

MR. FLYNN: I didn't say the plan treated them unfairly. I said it doesn't change the methodology, the things being used; and using your example, house appealed by the school district at \$200,000, whatever the number was, there is no telling what the February 2006 numbers would be for that property since the methodology threw out all results from appeals, so it's quite possible that value for 2006 could be much higher than the \$200,000.

MR. FRANCIS: There is no doubt about that.

MR. FLYNN: Similar to the 2002 reassessment which overturned approximately 30,000 of the 45,000 appeals that were heard, 2002 reassessment overturned those and created --

MR. FRANCIS: In fairness, though, I'm not going to say some example. I think we can all find samples of appeals that were overturned where they were taxing body appeals. Those appeals were overturned by the subsequent reassessment, were overturned, to use your word, those were homeowner appeals where they had a reduction in 2001 and increase in 2002. I think that it's the rare case where the taxing body appealed to have somebody's assessment raised and then that appeal was overturned by the CLT system and then raised even more. I'm not going to tell you that hasn't occurred.

MR. FLYNN: I don't know if it's rare or not.

MR. FRANCIS: It's rare. But those 25,000 people, the fairest thing to do to those 25,000 people is to bring everybody else to the same level as them and roll back the millage so that everyone, then, is paying their fair share. That's sort of the underlying heart of our plan.

Again, with respect to Mr. DeFazio's questions to go door to door, I will be happy to do that. Tell me

when and where, I will be there and we can pick some neighborhoods and take the press along but on the condition we're not going to tell people what happens to their assessment. We are going to tell them what happens to their actual taxes. Anybody whose assessment just increases does not mean their taxes will increase. If we roll back the millage, and by our plan you don't have to do that because we take care of it through the change in the PDR. If the overall average in the county was 19 percent increase prior to applying the PDR, if someone's increased 10 percent, their assessment is going to go down. Their taxes paid will actually go down.

So I will gladly go knock on doors on neighborhoods as long as we tell people about their actual taxes paid and not just what happens to their assessment because that's what really matters.

MR. FLYNN: Mr. President, if I may.

PRESIDENT FITZGERALD: Mr. Flynn.

MR. FLYNN: Councilman Francis just talked about nobody's had a property tax increase. You spoke that the county is adjusting, we are changing our predetermined ratio rather than millage, which I agree with that statement. If this amendment should pass and become the Bill, even under this plan, this amendment, over 230,000 property owners in Allegheny County will receive a tax increase in their county tax bills.

MR. FRANCIS: How many would receive a tax decrease?

MR. FLYNN: Approximately about the same number.

MR. FRANCIS: I agree with that.

MR. FLYNN: You just said nobody would get an increase. There will be over 200,000.

MR. FRANCIS: I said if you increase less than the average, you will receive a tax increase.

PRESIDENT FITZGERALD: Ron, just briefly, one of the things we agreed, which we all agree at the county level we will roll back the millage because the history has shown this body has -- there are 173 other taxing bodies out there that history has shown that some school districts and municipalities have taken the windfalls; and in this plan, there are some winners and some losers and the fear is that the winners won't see the roll back but the losers will see their millages go up.

I want to recognize Councilman Jabbour and Councilman Kress have come in since we began.

Ms. Frazier and Mr. Gastgeb and Ms. Cleary.

MS. FRAZIER: *One thing I'm looking at is the residential properties and the nonresidential properties. I'm looking at the difference between the residential and nonresidential properties. That was something that was not spelled out before. I'm looking specifically for my district. When I look at the residential properties taken as a whole, under this plan we have 45.3 percent increases. That's the percentage that will receive increases in my district. So why should I approve this plan?*

I also look at the nonresidential properties. There are fewer, and my district includes downtown Pittsburgh, 72.67 percent, and I looked at all the other areas. All of the residential properties will be raised a lot more than the nonresidential properties. Can you explain that?

PRESIDENT FITZGERALD: *Mr. Francis or Mr. Price.*

MR. FRANCIS: *Again, the underlying values for the 2006 plan are the assessments that were done by the Cole Layer Trumbull system, which the Chief Assessment Officer says although not perfect, are more fair and accurate than the existing numbers. I think that's what I understand her to say; and certainly the sales ratio analysis done by both her and the firm confirm the numbers were either acceptable or good, I think, to use the phrase from the independent analysis.*

To answer your question why should you, you talk about a 45 percent increase. The flip side is the other 55 percent. What about those people? Those 55 percent are going to see their taxes decrease. So why would you vote against those 55 percent?

I guess the other question is just because someone's assessment -- if the underlying assumption is those 45 percent are increasing and that's not correct, then I suppose I would wouldn't vote for mine either. You're making those assumptions they are incorrect. Why do we think that everyone's assessment which increases, it's incorrect; yet everyone's assessment which decreases, it's correct? That doesn't make any sense to me.

MS. FRAZIER: *The thing about it is if I am going to talk to my constituents, I'm going to ask them: Would you rather have an increase or leave things as they are? And most of them are going to say, leave them like they are.*

MR. FRANCIS: *You can ask them yourself and I would venture to say the 55 percent would say, no, I'd make the change, I'd like to see my taxes go down.*

PRESIDENT FITZGERALD: *Mr. Gastgeb.*

MR. GASTGEB: *Thank you, President Fitzgerald.*

I don't necessarily have any questions for you but I'm not sure if you can or can't sway me. You know, I know we are going to nitpick for the next hour and 15 minutes or whatever there is left probably here tonight both plans moving forward and I'm not sure if we are experts up here to try to nitpick. There are just a couple of general comments I'd like to make.

People are leaving Allegheny County. There's a record number of Sheriff's sales. It's not because they anticipated Council Member Price bringing forth a plan. It's happening now under the current plan we are at. So I think it's just ingenious to think somehow by us just talking about when it's just an alternative at this point, this doom and gloom is going to happen. It's certainly happening now. It will happen more and that's what we are here to decide.

I find it somewhat ironic two and a half weeks ago this Administration was ready to increase assessments by 5.8 percent on average, but now they stand up here and say that so many are up, so many are down; and this is my humble opinion, if it wasn't for one courageous Councilman, Doug Price, being very diligent with questions, I think he put doubt in everybody's mind, we could easily be sitting here with a 5.8 percent increase countywide.

So I think we have to respect this process and respect everyone's opinion. When you vote, you vote, that's fine. I don't think anything that anybody said today has been so outrageous it has to be attacked. I do want to say some things about the counties surrounding us.

I have said numerous times I wish we could go be like other counties. I share Mr. DeFazio's comments. I share this with Mr. Flynn. The thing we have to understand at this point in time, other counties are where they are at based on decisions they made at that time. So if the base year in Butler County is 1969, Butler County made that decision in 1969. We are making the decision to go to the base year three years after the fact. That may or may not be a good idea. I'm bringing it up. I don't know if it's good or not.

The other thing is other counties are free to operate in the manner they feel is best for their county. What do I mean by that? We are under a Court Order and it just seems that's forgotten. Judge Wettick never struck down what was yet another assessment plan

by the County Administration. We are in a position we are right now. We have rules to follow. I think everybody up here wants to obey the rule of law. Certainly as legislators we try to pass things we believe are legal.

I respect Mr. Wojcik in saying he feels the Administration's plan is legal and I will accept that and that's fine; but to completely dismiss we're not under a Court Order where we're told we have to do something to employ a plan is also disingenuous.

The other thing I want to bring up, if I could add my humble opinion to Mr. DeFazio's question about 50 percent going up or is it 45 to 55? I don't know if anybody knows that without going through and seeing what percentage you're talking about. If the assessment is going up one percent versus going up 20, that's a huge difference. So if Mr. Flynn says 50 percent are going to go up, if out of that 50 percent half of that is going up one or two percent, that's important, because I don't think people will go into a tizzy for one or two percent.

All I can tell you is we have to live by averages. I see other members have some specifics, but I don't. I don't know where that was furnished. My County Council District goes down to zero with this assessment under the GOP plan. District 6 goes down three percent. District 7 goes down two percent. District 8 goes down two percent. District 9 goes down six percent. This is on average. The averages go up or down, they might, but it won't be 50-50. It's quite possible 75 percent may go down, 25 percent may go up, but those 25 percent are going to pay a heck of a lot more because they were underassessed maybe.

A lot of the e-mails I have gotten say: I live in this town on this street. Two streets over they bought this house for \$200,000 but still are assessed for \$100,000. That kind of stuff is going on and we are never going to be able to accurately look and see what the problem is if we don't see exactly where we are going with regard to new valuations.

Again, both plans probably have merit, but certainly I don't think we can just say that when I look at Braddock is down 30 percent in assessed values, North Braddock is down 23 percent in assessed values, Wilkinsburg down 21 percent in assessed values, Homestead will go down 24 percent in assessed values. These were numbers taken from the Post-Gazette.

You know, maybe there's a way to debunk them and I'm all ears to understand that, but I don't know

how smart it is not to go through this and say if you live in these towns and you can realize these types of decreases in your assessment, I think we owe the due diligence to find out if we can deliver that.

PRESIDENT FITZGERALD: Let me ask a question and let Mr. DeFazio respond, since you referenced him.

Mr. Flynn, when they make a statement like Mr. Gastgeb did, Homestead would go down 24 percent, there was a statement made by the manager of Clairton, I believe, in the paper this week, what does happen to a resident who lives in Homestead and on average has a 24 percent decrease in assessed value?

MR. FLYNN: Well, what happens overall?

PRESIDENT FITZGERALD: Overall.

MR. FLYNN: The example of Clairton, that manager was 100 percent correct. If his overall assessments decreased in value, that meant his tax base decreased and what he would have to do in order to get revenue neutral is increase -- what the Clairton elected officials would have to do is increase their millage rate by the percentage of decrease in order to achieve revenue neutrality, so there would be a tax millage rate increase.

I think that's what Councilman Francis alluded to. There is going to have to be shifting, adjusting of millage rates countywide.

PRESIDENT FITZGERALD: Mr. Gastgeb, do you want to respond?

MR. GASTGEB: I thought his quote was in spite of that, they still wouldn't raise the millage rate, they would work within the framework of the government, or the school district said that.

Certainly within that is the right for government to cut expenses, like the Administration here did. 500 employees were laid off in the spring, I'm assuming from what we went through in our meetings, because of costs. Row offices would no longer be funded the Controller is telling us, which the Administration concurs.

The taxing body has the ability to look at everybody. To say there will be dollar and dollar for raising millage rates is exactly accurate. You can probably apply that to the base year plan. Assessments stay the same, less comes into your school district, you honor appeals of 25,000 people who won, which means a decrease. Three years ago, home values, you have to honor appeals that were won by homeowners, which are decreases. The same argument could be made to make up for that lost assessment value, you'd have to

conceivably raise your millage rate to get to the 2006 level.

So I think we can play this game all day of what could or could not happen. Our job is to set the assessment rate. We walked in here on the 4th thinking we were voting on the 5.8 percent assessment valuation increase. We weren't voting on millage rates, just do you want to raise values 5.8 percent.

As history will tell us, there's two other plans now. We didn't do that. We are doing the same thing today. Do you want to switch to a base year system or do you want to keep a market base system?

Also with this market base system, of no fault of anybody in this room, we have invested \$39 million into this market base system. 30 some million went to Sabre, another \$9 million went to Cole Layer Trumbull. We have \$39 million into the market base system of the taxpayers' money and now you want to turn it into a base year. Maybe at the end of the day that is the best approach. I think some of the things are credible to discuss within the GOP plan.

Some of these things, millage rates, every comment so far on millage rates has been speculation. We don't know what Shaler, Clairton, Homestead is going to do. Our job is to vote on assessed value. It's clear the average in the towns I referenced, you're taking their assessed value down, Braddock 29 percent, North Braddock 23 percent, and so on. If you want to speculate after that, that's fine. That's your prerogative, but the Price plan brings down the average assessment in those towns by that amount.

Thank you.

PRESIDENT FITZGERALD: Mr. DeFazio, do you want to respond?

MR. DE FAZIO: First of all, there was a statement made about attacking. I haven't attacked anyone. I'm asking questions. I don't think there is anything wrong with that. I'm asking questions. You people, all of you can ask the same questions. I asked for some questions from the Administration. I'm trying to get to the bottom of this.

Look, I do this job, a lot of you people maybe don't know, I do it for one-third. I don't do this for pay. The county keeps two-thirds. I leave it there. I don't take any expenses. I do this because I want to do the job. I'm not looking to run for any other public office. I try to do the job.

My honest opinion, I could make mistakes like everybody else. My honest opinion from what I see, the

plan Dan has out there is better, in my opinion. Everybody else can have a different opinion, that's fine. I'm not saying do what I want to do; but I think when you look at it, I think keeping it as it is is better than having almost a 50 percent increase. That's just my opinion.

Everybody has to make a vote. I will do an honest vote on this thing and I do get tired of hearing people -- I go to a lot of places where people talk about what's going on in the county. Use the editorials, they say it's like a circus. I don't want to see it go like that. I like to see the best thing done. If you have a better idea, we should take a look at it. What I see so far is not a better idea in my opinion. I'm only one. My opinion is it's a lot worse, so that's just me. Put them side by side, show everybody, ask all the questions you want. At the end of the day, which is better, A or B, then you have to vote. There is no one attacking anybody. I just want answers.

PRESIDENT FITZGERALD: *Ms. Cleary and Ms. Rea.*

MS. CLEARY: *Yes. I'm just a little confused, I think. I'm looking at the numbers we got from Mr. Flynn's office and five numbers, I can't find any correlation in your numbers to the 2005, what we got from Mr. Flynn, plus in my district you left out Baldwin Borough. That's one of my biggest districts and it's not even here now.*

MR. GASTGEB: *That's his chart.*

MS. CLEARY: *This is yours. This is yours. Baldwin Borough is not in it.*

MR. GASTGEB: *This is printed from the Post-Gazette. You can get it assuming can push the print button.*

MS. CLEARY: *I don't know where they got this, then. Regardless of all these numbers, because they are confusing, I think, if we have the revenue neutral like you want, yes, all those communities will go down, some of them -- a lot more have to go up, too. So revenue neutral sounds good, but I don't believe it really get us -- as much goes down as has to go back up again. I believe on the municipality level on their governments, they don't have as much of a budget to cut as we did at the county. Yes, we laid off some people. They can't lay off a significant number of people that is going to help them budget that much. Most municipalities that I know of are down to bare bones and they are doing with what they have now. Regardless of what these numbers*

say, I think the stability with the Chief Executive's plan is what we will keep, that I believe is what we need because we need to keep it stable.

PRESIDENT FITZGERALD: Ms. Rea and Mr. Kress and Mr. Francis.

MS. REA: Ms. Cleary, what numbers do you have from Mr. Flynn that I don't have that other colleagues have on Council? Some colleagues have numbers from Mr. Flynn that I don't have. What numbers are they?

MS. CLEARY: I wasn't even looking. There's some numbers he told us what residential/commercial differences were. The numbers I was looking at are what we got that Jared got.

MS. REA: You have another piece of paper. My point is I requested almost two weeks ago numbers from the Administration and I still don't have those numbers. I guess that's my point, I would just like to know what numbers everybody else has up here because I have no numbers. I can't get one number from the Administration.

MS. CLEARY: The ones I was looking at are the ones that Mr. Flynn sent to Jared back on the 4th. I think a couple different members, both Republican and Democrat, asked for.

MS. REA: Is there any reason why we are not able to get those numbers? How can I make an informed decision? Through Joe Catanese, I believe, our Chief of Staff I requested numbers. This has to be almost two weeks ago.

MR. FLYNN: If I may.

PRESIDENT FITZGERALD: Mr. Flynn.

MR. FLYNN: On October 4th, actually I believe the end of September 29th or 30th we received a request for information for aggregate property values listed by municipality or ward, each municipality, overall change in assessed value from 2005 to 2006, both as to dollar amount and percentage change; aggregate nontax exempt value broken down by municipality and also the change between 2005 and 2006 in dollar amount and percentage.

On October 4th I transmitted a report that lists actually two reports, comparing 2006 to the 2002 values, 2006 to the 2005 values. I transmitted that to Jared Barker that has every single municipality; so, Councilwoman Rea, if I didn't specifically respond to your request, it was because it was included in these reports.

PRESIDENT FITZGERALD: I don't know, Jan, who would have made that request of Council to Mr. Barker to get those from the Administration. I did not as Chair

of this Committee, but I don't know that.

Ms. Watt.

MS. WATT: Yes. I specifically had also requested not only the numbers -- what do you have? Is it what Mr. Flynn has, numbers you were saying when you and Councilman DeFazio were going back and forth over who goes up? Is that this chart right here (indicating)?

PRESIDENT FITZGERALD: Ms. Cleary is talking about on October 4th.

MS. WATT: What is this right here (indicating)?

MS. REA: What is that chart?

MS. WATT: I have requested both the 2002 and the 2006 numbers, that they be compared side by side with the municipality as well as broken down by household, how many would go up and how many go down, and I have yet to receive that information. I'm surprised to hear Mr. Flynn sitting here saying how many houses are going to go up when I requested it almost two weeks ago and I have yet to verify it.

MS. REA: I can't believe you have a chart here that we can't see. We are supposed to make an informed decision. I can't believe you are using a chart we don't have. Why?

PRESIDENT FITZGERALD: I don't know.

MS. REA: You have our numbers here.

PRESIDENT FITZGERALD: I have more charts in front of me than I care to have.

MS. REA: I'm confused by it.

MS. WATT: My request was made through Joe Catanese, also personally made to Mr. Onorato's Administration, and we want to make an informed decision. If you believe in your plan, whichever plan that is, let the information be out there individually, you know,. My interest is District 7. Your interest is your District, and your vote may not be the same as mine because it's going to be reflective of the numbers. We cannot make that kind of decision without the numbers. I think before this meeting ends tonight, we need to have a copy of that.

PRESIDENT FITZGERALD: Mr. Flynn, can we make available all numbers to all members of this Committee?

MR. FLYNN: Sure, if you want to be specific.

PRESIDENT FITZGERALD: Have we done that? I'm confused as to what numbers we are talking about.

MS. WATT: Would you like me to clear it up?

PRESIDENT FITZGERALD: Yes.

MS. WATT: I would like to see, first of all,

I'd like a copy of this (indicating) tonight before this meeting ends.

PRESIDENT FITZGERALD: What is "this"?

MR. JABBOUR: She is referring to a municipality and ward breakdown.

MS. WATT: You were saying about all of the houses that go up, because specifically we have not -- we don't know how many houses go up and how many houses go down, so we don't know what the effect of it is.

Specifically I have asked for under the 2002 plan, that is under the Chief Executive, versus the 2006 plan, what is the difference. I would like to see, I would like to see what the number is. Obviously it's the same for 2002 but for 2006 I would like to see individually, not just by municipality, of the percentage going up, how many households. We don't have that.

MR. FLYNN: All right.

PRESIDENT FITZGERALD: The question is, Mr. Barker would have made this request on behalf of somebody on Council and I don't know who that was. Maybe somebody can answer that. I did not do it as Chair but I don't know who did it on October 4th.

MS. REA: I believe a few Council members made a request they wanted the Administration's numbers broken down by districts so we can make an informed decision.

PRESIDENT FITZGERALD: Is that what Mr. Barker responded to?

MS. REA: I didn't receive one number ever, so how can we make an informed decision, which I'm sure my colleagues have numbers that I don't have. Whether those numbers are numbers comparing the Republican plan or not, I have a right to see those numbers as a Council member. That's all.

Summary: Verbatim Minutes - Part Three

PRESIDENT FITZGERALD: Ms. Liptak, maybe you can clear this up.

MS. LIPTAK: I apologize. Mr. Flynn just gave me a copy of the letter and the numbers that were sent to Jared. I know Jared did go downstairs.

PRESIDENT FITZGERALD: Is that October 4th?

MS. LIPTAK: It's dated October 4th. I spoke to Joe about this and Jared as well because this request didn't come through me, it wouldn't have, but I did know there was a request made by several Council members to the Administration as to specific numbers. That's why I motioned to Jared, I thought we received it on Council

and he said maybe he did good. He is going downstairs to check.

PRESIDENT FITZGERALD: It hasn't been distributed.

MS. LIPTAK: I don't know because I wasn't directly involved in this process. I was just familiar there were numbers that were requested and we did receive something from the Administration, which I have here. I can go make copies for all members if you'd like.

PRESIDENT FITZGERALD: We want to have --

MS. LIPTAK: This is Council staff confusion here.

PRESIDENT FITZGERALD: Before we blame others

--

MS. LIPTAK: I wanted to make that clear.

MR. FRANCIS: I want to answer Ms. Cleary's question, that our numbers, percentage decrease, don't square with the chart you had in front of you because I think as I heard the County Manager explain, what was on the spreadsheet, it did not take the 2006 numbers and multiply them by the proposed predetermined ratio of .84. It's only after you do that you can see the effect of the Republican plan by that. We have this present. It's publicly available on the internet and possibly other media websites. That's just to answer your direct question. His spreadsheet shows the effect of the change in the predetermined ratio. I don't think his does.

MS. CLEARY: The first column, 2005, they are not multiplied at all, are they?

MR. FRANCIS: No.

MS. CLEARY: This is the numbers I'm looking at.

MR. FRANCIS: Existing numbers.

MS. CLEARY: That's what this information is. Everybody should have gotten the 2005 value and they are not the same.

MR. FRANCIS: This is the values Council established given by the Administration that they gave to us.

PRESIDENT FITZGERALD: Mr. Kress.

MR. KRESS: Mr. Flynn, how are you today?

MR. FLYNN: I am great.

MR. KRESS: In regards to Clairton, you says the average assessment in Clairton is 16.34 percent?

MR. FLYNN: Is that what I said?

MR. KRESS: Just check your numbers.

MR. FLYNN: Sure.

MR. FLYNN: Little over 16 percent.

MR. KRESS: Since their assessments went down in Clairton, then the average person would be paying less money to the county in taxes; is that not correct?

MR. FLYNN: That's correct.

DR. MARTONI: No, it's not correct. Let me explain something.

PRESIDENT FITZGERALD: Let Mr. Flynn speak.

DR. MARTONI: I don't want any incorrect information out of here. Take Braddock, if you rode down Braddock in 2002, you would have seen maybe 40 buildings. If you ride down tonight, you will see maybe 15 buildings. 15 buildings -- I'm making up the number -- X number of buildings have been torn down and off the tax rolls. That's what brings the assessment down, not individual properties necessarily, so it's not correct.

MR. FLYNN: I think if Councilman Kress' question was Clairton had a little over 16 percent in decrease for county taxes, the county's tax revenue from all of the properties located in Clairton would be 16 percent less.

DR. MARTONI: Right.

MR. KRESS: So what's wrong with that? What's wrong with the people in Clairton paying less if their properties have declined as a whole?

MR. FLYNN: Part of the problem, 22 percent of the residential properties in Clairton were going to see an increase.

MR. KRESS: How many would see a decrease?

MR. FLYNN: 78.

MR. KRESS: 78 percent would see a tax benefit under this plan?

MR. FLYNN: For county taxes.

MR. KRESS: For county taxes in Clairton?

MR. FLYNN: Yes. County taxes are the smallest portion of the property owner's tax bill.

MR. KRESS: 78 percent are seeing a benefit according to what you just told me.

MR. FLYNN: All right.

MR. KRESS: My question again is, what's wrong with that?

MR. FLYNN: If you look overall, we are not the only taxing body that uses these assessments as a basis of taxation. The school board and the Municipality of Clairton will also have to make adjustments to their millage rates; and in Clairton's case, the municipality would have to increase their millage rate on average by 16 percent.

MR. KRESS: Still 78 percent, if they did increase the millage, would see some type of benefit.

MR. FLYNN: Depends on the specific distribution of those properties.

MR. KRESS: Maybe looking at it countywide, we are shifting the burden from the poor communities onto the more affluent communities because their property values have declined; is that not correct?

MR. FLYNN: On average?

MR. KRESS: Yes. The problem with the base year, you're using a 2002 base year.

MR. FLYNN: That's our proposal.

MR. KRESS: Some of these comments, valuations are declined. They are paying taxes on property that's no longer worth it because their property values have gone down. Why shouldn't these communities pay less to the county because their properties are no longer at that rate anymore?

MR. FLYNN: I heard Councilman Francis talk about -- there is a philosophical difference, should we be at the market value system, should we be at the base year system. The county Administration believes that the time is right right now to move to a base year methodology, base year system.

What that will do is that will take 2002 numbers, which met IAAO standards, which were approved, certified approved by the court, approximately 180,000 appeals that were heard on the 2002 numbers. So we have taken the 2002 numbers using IAAO methodology, gone through 180,000 appeals. We have accounted for all property value changes, which were in accordance, any change that was made in accordance with IAAO standards to the point we reached the current 2005 numbers.

The big misconception I think here is that, and history repeats itself, we saw that two -- the big misconception is the 2006 numbers from February CLT that the Republican plan is using as their basis to adjust the predetermined ratio has been untested. It hasn't gone through the appeals process. It may be no better, no worse than the current values that we have right now after the appeals. The county spent \$40 million. We spent a phenomenal amount of money to do two reassessments, both in accordance with IAAO standards. The numbers we have in 2005 as the base year went through a mass reappraisal, went through 180,000 appeals in accordance with IAAO standards and those numbers, I think, are going to be better than the preliminary CLT numbers, as you refer to them as the basis for the GOP plan.

MR. KRESS: *Let me ask you about these 2002 numbers. These 2002 numbers, do they take into consideration the Hurricane Ivan flooding that occurred?*

MR. FLYNN: *Yes.*

MR. KRESS: *They are adjusted downward?*

MR. FLYNN: *We made the adjustment last year right after the flood, yes.*

MR. KRESS: *How long would they be adjusted for the 2002 numbers? I thought it was only going to be a one year readjustment down for the people that flooded.*

MR. FLYNN: *No, because as you know, your district was hit very hard. There are still lot of property owners under construction trying to rehab their houses. So what we said was typical in any catastrophic loss program to reduce the values. Those values will stay in place until a building permit is filed and completed to correct that and we will send assessors back out once those property corrections have been made.*

MR. KRESS: *Let me ask you a question. Once those are made, are they going to go back to the 2002 valuation?*

MR. PRICE: *Yes, they would go to the 2002 valuation. The.*

MR. KRESS: *Does it take into consideration declining values because the properties are in the flood zone and maybe nobody wants to purchase those properties?*

MR. FLYNN: *How do you determine that?*

MR. KRESS: *How any appraiser does it, when you go out, look at market value.*

MR. FLYNN: *You have to have valid sales.*

MR. KRESS: *You have the -- I'm asking, are you going to take into consideration the market factors in the 2002? I have property in the flood zone I fixed up. Do you assign me 2002 valuation or look at market values and if the property sales are declining, values are no longer at the 2002, there is a lower value, are you going to do that?*

MR. FLYNN: *It's going to be used, whatever methodology is adopted by this body.*

MR. KRESS: *I'm asking you under the 2002 base year.*

PRESIDENT FITZGERALD: *Mr. Kress, we're actually discussing the Price plan first and then after that, we are going to do the 2002 plan.*

MR. KRESS: *All right.*

PRESIDENT FITZGERALD: *Do you have any questions on the Price plan? We are doing that one first and then we will move on.*

MR. KRESS: *Fine.*

PRESIDENT FITZGERALD: *Any other questions on the Price plan or discussion on the Price plan or Republican plan?*

Mr. Gastgeb and Mr. Francis.

MR. GASTGEB: *Thank you, Mr. President.*

I want to thank Councilwoman Frazier who was kind enough to share her notes and papers with me as we were waiting. I appreciate that. So that we all have the same information, I think it's good to get out there.

Mr. Flynn, what I think happened was we asked for numbers back before October 4th to compare to the 5.8 percent plan. So there may be some confusion when the plans changed on Tuesday, the 4th. Because if the county was 5.8 percent on average, we were concerned with our district was, then a subsequent request based on the plan changing, so that may or may not have made it to your office, but that was my understanding of the request.

I think the letter that Ms. Rea request was dated was in September, still might have been the 29th or 30th, but about that. Since Ms. Frazier was kind enough to share her information, there's actually three forms of data out there. You have passed out two. She has one that has a Republican plan versus the 2002 plan. That has not yet been passed out to us. I will do this afterwards so we are not wasting time. There actually is something that says 2006 versus the Republican plan. I don't have that one.

MS. FRAZIER: *You should.*

MR. GASTGEB: *There's three. I have two. But be that as it may, I'd like the Chair's indulgence to bring up Mr. Biernacki, who testified two weeks ago and also was used by this Council majority about four or five years ago to look at some data. I think he's proven to be independent. I think he is also credible on this issue.*

PRESIDENT FITZGERALD: *Mr. Biernacki, please come forward.*

Vince, did you want to allow Mr. Biernacki to address Council?.

MR. GASTGEB: *Other members can ask. I know Mr. Biernacki in the past has evaluated the accuracy of assessments, mainly the 2002; and then at the last Committee meeting we asked him to opine on various*

assessment plans.

I guess at this point in time I would make a general request of Mr. Biernacki, you know what the plans are. Based upon you being at the meeting two weeks ago, were you able to ascertain any information that can enlighten this body?

MR. BIERNACKI: Yes, I'm aware of basically what the plans are. I developed my information based on a predetermined ratio of 80 percent and since has been changed.

I certainly would recommend that the ratio not be changed because the county is on a revenue neutral plan. By their last, I guess, Council meeting they adopted that. It would be much easier to just adjust the millage once the budget determines the cost and county needs to operate and divide it by the total assessed value to get a millage rate. That makes the 80 percent plan stable in the sense that it doesn't have to be adjusted each year based upon what the budget is.

What I looked at in comparing the two plans, I call it the GOP 80 percent ratio plan because that's what the Post-Gazette called it, I didn't know what else to call it, and I compared it with the 2002 base year plan, which is the plan that we're discussing right now -- that was discussed last week, I'm sorry.

What I did was, I compared the 2002 base year plan, assessed values and the GOP's 80 percent ratio plan and I selected 344 assessments of single-family residences in Allegheny County. Now, these residences were selected -- these properties were selected by a computer software program known as SPSS, which is a statistical program that randomly picks that number of properties out of the entire database in the county. What I used were the 2006 figures, that I called them the CLT generated figures that were put out in February, March of this year and what the GOP's plan is going to use as a basis to plug the 80 percent ratio into. I used the current 2005 assessed values because that is what the 2002 base year plan consists of.

What happened is the random sample produced selected properties in 41 school districts, slightly less than the total number of school districts in the county. The comparison was made on a per school district basis because that encompasses the best way to look at the properties generally.

What I found in the comparison was that overall, 76 percent of the assessed values in the 2002 base year plan were higher than those in the GOP 80 percent ratio plan. That means the assessment level was

much higher than -- the number of parcels was higher than the number of parcels in the GOP plan by 76 percent of them out of the random sample, which is representative of the database or the entire sample of residential properties in Allegheny County.

I have a copy of the results of that study if you'd like to have a copy of them, I don't know.

PRESIDENT FITZGERALD: Distribute that to our Clerk and we can have copies made for all of Council, including two for Ms. Watt.

Mr. Biernacki, continue.

MR. BIERNACKI: In the spreadsheet that I have attached that we are going to get copies of, it lists the three plans. Plan one is the 2002 base year. Plan two is the CLT plan that I call it that was done in February, and the third one is the GOP plan. You will see that included is a list of the assessed value for each of those plans as of a recent date, the difference in between the two plans and because the 2005 CLT --

PRESIDENT FITZGERALD: Mr. Biernacki, since nobody has it in front of them, why don't you hold off for just a second.

Just to kind of get a history, I know you have done a study for this Council in the past. I believe we have hired you, am I correct, in 2001 to do a study for this Council?

MR. BIERNACKI: Yes.

PRESIDENT FITZGERALD: I have nothing against your qualifications. I think you're eminently qualified. I'd like to bring up a couple of statements that were made, though, in April 17, 2001, when we were trying to hire you according to Mr. Gastgeb. "My intent is to let people know County Council is hiring a firm," that is you, "that I believe whose interests are not pure."

Mr. Francis made a similar thing about conflict of interest. I believe Mr. Shumaker did as well, which, you know, I think it's a matter of you were an expert then. They didn't agree with you because you were basically, I guess, being critical of Mr. Roddey's plan. Now you're coming back again and you're an expert for them, that's fine, but I think you're an expert and I'm glad you're here.

MR. GASTGEB: I want to respond since you mentioned my name. My comments at the time were because I didn't feel we should spend the money at that time. I don't know what anybody else said. I didn't feel Council should spend the money for anything.

With that in mind, if you want an acrimonious

comment for me, it's funny how Mr. Biernacki seems to affect Council when it seems to be what he's saying now, the analogies are favoring the GOP plan. You're trying to say that creates a double standard.

PRESIDENT FITZGERALD: We are going to let him speak.

MR. GASTGEB: If I would be consistent, I should probably be consistent like I was four or five years ago and say the plan shouldn't matter. That comment was made five months before his plan came out. I was questioning the appropriateness of spending the money at that time, not looking at the accuracy or consistency of his plan. Obviously when you saw him on the invite list, you looked at that. I don't know why.

PRESIDENT FITZGERALD: We hired him before and we are not hiring him now.

MR. GASTGEB: I made that comment when it came up.

PRESIDENT FITZGERALD: Mr. Francis.

MR. FRANCIS: I think there is a more important point and I was concerned about hiring Mr. Biernacki because he was being pushed by two members whose motives I doubted, that I didn't think were pure; but I think the interesting point about it is if you actually read the study he produced back in 2001, and I don't think very many people did, although he said there were flaws and there were errors, that study said the 2001 numbers that had been produced were better than the existing numbers, and you ignored it. Because every time some professional tells you something that you don't agree with, that you don't want to hear, that you ignore it. So I don't know why we bothered to hire Mr. Biernacki back then or -- nothing against you, Mr. Biernacki -- but if you don't tell people what they want to hear, they are going to ignore it. Partly, I think, sometimes I appreciate the work you did even though sometimes it's falls on deaf ears.

PRESIDENT FITZGERALD: That's fine. Do we have the spreadsheets as of yet?

MR. MASGIO: I only have seven copies. I was going to hold them until I got 15.

PRESIDENT FITZGERALD: Let me ask Mr. Biernacki another question regarding uniformity because one of the comments I have seen you make a couple weeks ago before this Council or last week before this Council dealt with uniformity and you're looking for uniformity in the assessment process; is that correct?

MR. BIERNACKI: That's right.

PRESIDENT FITZGERALD: Do you think if we

adopt the -- I will call it going forward the GOP plan of assessing this year, that we are treating uniformly in Allegheny County, say, property in McCandless and the north, property in Upper St. Clair, are they being treated uniformly with their neighbors across the line in Washington, Peters Township, Upper St. Clair or the Cranberry Township homeowner versus the McCandless or Pine homeowner?

MR. BIERNACKI: I think they are being treated more uniformly.

PRESIDENT FITZGERALD: Who is being treated more uniformly?

MR. BIERNACKI: The people in Allegheny County.

PRESIDENT FITZGERALD: Than the people in Butler County or Washington?

MR. BIERNACKI: Yes.

PRESIDENT FITZGERALD: All right.

Mr. Francis.

MR. FRANCIS: Is it correct, Mr. Biernacki, uniformity is relevant within a taxing district, such as within McCandless, within the North Allegheny County, within Allegheny County, whereas there is no tax levied on property that is levied both by the same body in Butler County or Washington County and Allegheny County? So how our assessments do compare to those two counties doesn't necessarily matter because it's not if somebody, like the State Legislature, is levying a tax based on that value. It's all within the taxing body that uniformity matters.

PRESIDENT FITZGERALD: Theoretically you're right but in actuality and reality, that's not the way people live their lives. They are moving across to the other counties because they are not being treated as uniformly, if that's the word or not, being taxed as highly as we do in Allegheny County.

MR. FRANCIS: Because they spent less, not because their assessments are lower. In fact, I would think -- I have to go look at what the assessments are, but when we were up to the 25 percent number just a few years ago, it's possible that some of our assessments were lower than some of the adjoining counties. They were based on a different methodology. It's a fact that the governments in those areas aren't spending as much, so the overall tax burden is lower that's causing people to move there.

MR. BIERNACKI: Let me clarify that statement. I don't know if you completely understood what I said or I understand your question. When I say

that Allegheny County's taxpayers are treated more uniformly, it's because there's been a system applied recently several times to create uniformity. Now, that is better for the taxpayers of Allegheny County than a system in some neighboring county where there isn't as much uniformity.

By uniformity, I speak of the coefficient of dispersion, which measures the difference in median assessments. I believe Allegheny County's coefficient of dispersion back after the 2001 reassessment, 2002 reassessment, and the 2006 reassessment was much better than those in the neighboring counties that haven't been reassessed. What this creates is parity, parity amongst assessments of similar homes. That's what you need to strive for.

You just brought this up and I brought this article from the International Association of Assessment Officers. They are the professional organization that provides guidelines for assessment offices.

It was in the July 2005 magazine that they publish monthly. It's called Fair and Equitable is the magazine. It strikes home to what we are talking about here tonight. I think you should listen to this because this is what your decision should be based upon. I'm going to read directly from the article and I have provided copies of this. They are making it now.

It says: "What the taxpayers have not heard from anyone," this was said in July of 2005 and this is true right now, "is that there is absolutely no connection between the increase in their property values and the increase in their property taxes."

Property taxes are controlled by the municipalities, school districts, the municipalities and the county. They are controlled by the millage that's levied against the assessment. You want to make the best assessment possible, the fairest assessment, the most accurate and the most equitable so that when these districts levy their taxes, that they are levying equally against all taxpayers.

What seems to be the words somebody interchanged and they are not interchangeable, that is taxes and assessed values. What we are dealing with in an assessment program is the assessed values. The taxes are the jobs of the taxing jurisdictions, and the taxes would be the same on a \$100,000 house that was assessed at 10 percent as they would a \$100,000 house that was assessed at 50 percent of value. Because the taxes are determined by the budgets and municipalities and school districts and they are going to be the same, and this

article shows you how this is true.

Let's try to get away from talking about taxes. I think you should be looking at the assessments and how to do that in the fairest way possible.

PRESIDENT FITZGERALD: I think that argument in, again, theoretical words makes sense. We saw it in 2001 and again in 2002 where huge tax increases followed assessment increases. Because taxing bodies did not live up to the spirit of what you just read, they kept the windfalls. They did not roll back their millages proportionately. What actually happened, people paid more than average in taxes.

MR. BIERNACKI: Councilman, if that is true, the taxpayers in those municipalities should know that and they should vote out those people that have taken unfair advantage of them by accepting that windfall.

That's the job of the voters in those taxing districts, not the job of the Assessment office and the assessment programs, because then you bring politics and you bring other things into the mix that don't belong there.

PRESIDENT FITZGERALD: Now that everybody has a copy of your spreadsheet, do you want to go over the numbers that you have?

MR. BIERNACKI: Just a quick review, there are 41 school districts represented here. They are listed probably in alphabetical order. The first column, plan number one is the base CLT plan, which is always the highest because that was 20 percent higher than everything, and the county's plan is the base year plan, is back with what the values were in 2002. The third plan, GOP plan, is the last column, parcel ID is there and the difference between the base, the plan number one or base year plan, and plan number three, GOP plan, they are in the next column. Then in the last three columns there is the check or X marking the plan that has the lowest value for those school districts based at the random sample.

The boxes in each of the columns are the assessments that are the lowest among those three plans for that parcel.

PRESIDENT FITZGERALD: Does anybody have any questions for Mr. Biernacki regarding this printout?

Mr. Gastgeb.

MR. GASTGEB: Yes, thank you.

Mr. Biernacki, just looking at real quickly, I'm looking at the X's under plan three, which is the GOP plan, which seems to predominate to your point except in the City of Pittsburgh, it looks to be

somewhat even.

Council Member Frazier and I were going back and forth and even under the data we had, her District was better off under the base year and my District was better off under the GOP plan. Informally her and I were saying that, but your statistical analysis seems to show the suburbs would benefit more from the GOP plan and the city would benefit more from the base year plan.

Am I reading this correctly?

MR. BIERNACKI: I didn't make any distinction in that fashion. I just made a sampling of the properties or the plan that would have the lowest values and what the study did was make a determination as to which plan would produce the lowest assessed values.

MR. GASTGEB: My point is if I look at the X's, Baldwin and Bethel Park on the first page here, it's almost 90 percent of these towns wound up under the GOP plan. The city, it's 50-50 between the number of X's on one and X's on three. I was just curious why the suburbs seem so overwhelmingly better off under the GOP plan or is that just --

MR. BIERNACKI: Without looking at all the data, let me say this to you on Council. I think all of you are entitled to the same data that the county or the Administration uses to determine its figures. To make an informed decision, I think that's what you need, otherwise, you're shooting in the dark.

PRESIDENT FITZGERALD: Let me ask you a question about the methodology. As I go through this, there's about 35 per page that you list. Like in the Allegheny Valley, you have three districts; Baldwin/Whitehall, you have 12 districts, et cetera.

MR. BIERNACKI: Parcels.

PRESIDENT FITZGERALD: So you're doing this per parcel? This is how you picked one parcel in each?

MR. BIERNACKI: Well, I didn't pick them. They were randomly selected by the computer. What they represent is the total population of that municipality or that school district. It's representative of what would take place theoretically in that school district.

PRESIDENT FITZGERALD: What triggered the sampling? What did they use to pick just random samples?

MR. BIERNACKI: There's a random pick program in the statistical package that just picks randomly parcels.

PRESIDENT FITZGERALD: Do we know these sales are valid sales?

MR. BIERNACKI: *These aren't sales, they are values.*

PRESIDENT FITZGERALD: *Strictly values?*

MR. BIERNACKI: *They are values, valid values.*

PRESIDENT FITZGERALD: *Ms. Cleary and Ms. Frazier.*

MS. CLEARY: *Yes, that was what I wanted to ask before. I took a status class a long time ago but 344 out of 500,000, that gives you a valid number?*

MR. BIERNACKI: *It was less than 500,000 because it was the single-family residences. It didn't include residential vacant land, didn't include the condominiums.*

MS. CLEARY: *What was your number, 344 out of how many?*

MR. BIERNACKI: *344 out of 34,000 approximately, 34,000 valid residential sales I took the sample from.*

MS. CLEARY: *I'm still confused. It wasn't the whole 500,000, it was 344 out of--*

MR. BIERNACKI: *Approximately 34,000 valid single-family residential sales.*

MS. CLEARY: *What is the whole group, though?*

MR. BIERNACKI: *The whole group, the single-family residential population is about 364,000 single-family homes.*

MS. CLEARY: *Taking 344, statistically that's acceptable?*

MR. BIERNACKI: *I think based on the way it was taken, it was acceptable, yes. Based upon other information that we have seen here tonight, I think that you have the stats on the -- I think it's the municipalities to show overall decreases in a majority of them.*

There's one question that I did have. I heard somebody saying that -- asking whether or not the statistics on that spreadsheet were adjusted for the GOP 80 percent ratio when I think Councilman DeFazio was asking Mr. Flynn as to whether or not there were property increases or decreases in various municipalities; and I just didn't quite understand what was the answer for that, whether they were adjusted by the ratio or whether they weren't, because it makes a difference.

PRESIDENT FITZGERALD: *Ms. Frazier and Mr. Francis.*

MS. FRAZIER: *Is there any reason why you use only single family since we do have ownership as far as apartments and condominiums and duplexes?*

MR. BIERNACKI: *Because that seems to be where most of the sales are, and that seems to be what most of you are interested in, the taxpayers and voters, so I used the single-family residential properties because that's the majority of the properties. I think there are probably, residential properties are 475,000, 500,000 in numbers which is taken out of about 564,000 parcels. So it's the majority of the properties by far, ones that would have most interest.*

MS. FRAZIER: *And you didn't look at the rest of the properties at all?*

MR. BIERNACKI: *No.*

PRESIDENT FITZGERALD: *Mr. Francis.*

MR. FRANCIS: *Just to be fair and make sure we are all dealing with the correct numbers, if you were to rerun this GOP plan at .84, that would undoubtedly move, although not very much, but some would probably move. Would that change say the 2002 plan was better?*

MR. BIERNACKI: *Some of those would change.*

MR. FRANCIS: *I assume this spreadsheet, you can check it?*

MR. BIERNACKI: *Yes, that could be done.*

MR. FRANCIS: *If you do, e-mail it to me. It doesn't look like it's going to change. There could be some change and just to be fair, I wouldn't want to say anyone we are trying to mislead them.*

MR. BIERNACKI: *Again, I would recommend doing the 80 percent and adjusting the millages.*

MR. FRANCIS: *Using 80 percent because it's easier to understand?*

MR. BIERNACKI: *80 percent remains a consistent, stable ratio. Because you're under a revenue neutral policy, all you have to do is adjust the millage and then the assessments don't have to be adjusted by percentage points.*

MR. FRANCIS: *Just so we understand the implication of that, to the extent that a revenue neutral PDR, .84, .85, whenever it's done, we're adjusting the millage upward to get the same amount of revenue?*

MR. BIERNACKI: *That is if the budget remains the same. If there are budget increases, they are going to have to raise the millage because everyone else will. That's the duty of the elected officials to do what is in the best interests of the taxpayers.*

PRESIDENT FITZGERALD: *Mr. Jabbour.*

MR. JABBOUR: *Mr. Biernacki, you said this was a random sampling; is that correct?*

MR. BIERNACKI: *Yes.*

MR. JABBOUR: *If the computer was set for another type of random sampling, would you get another number?*

MR. BIERNACKI: *You probably would get a different number, but I would think that it would be pretty much the same.*

MR. JABBOUR: *That's your opinion; right?*

MR. BIERNACKI: *Right.*

MR. JABBOUR: *Random sampling isn't always the rule and we can't really be dealing with random sampling. We have got to be a little bit more accurate than just random.*

MR. BIERNACKI: *This is better than anything you have yet.*

MR. JABBOUR: *Maybe so.*

MR. BIERNACKI: *I didn't see anything better than this, with all due respect.*

MR. JABBOUR: *I'll challenge the fact where you're hanging your hat, not you, but the rest of the Republican party because you said it's 80 percent.*

MR. BIERNACKI: *I'd be glad to random sample whatever you want.*

MR. JABBOUR: *I'm not here to put you to work. What I am here to do is try to come to a more, closer realistic figure. That's what I am going. I'm not here to challenge you. Your computer might be 100 percent right. I don't doubt that, because I don't have your computer, I don't have your program; but I'm just saying the random sampling is not a true science and this is what we have been debating here, which plan is the best.*

Your random sampling comes up with 80 percent. The GOP plan sample, it's ready, we're ready to go. I'm not ready for that. I'm only talking for myself. That's the only reason why I bring it up. Everybody in the county can take a random sampling of anything, but what the final result is, you got to look into it. All right. You have 80 percent. We have heard 55 percent increase, we have heard 45 percent decreases, so you see where we're at sitting here on this table.

MR. BIERNACKI: *Can I respond to that?*

MR. JABBOUR: *Sure.*

MR. BIERNACKI: *What I'd like to say is that, you know, the random samples are random samples of something. You have information from the 2001 reval, 2002 reval that deals with the uniformity, equity, and the price related differential of these assessments and you have the most recent one in 2006.*

It seems like everybody said that they were pretty uniform, pretty fair and so forth, but yet you have nothing on the base year 2002 plan that says anything about any of those things. If you want to pick anything, you would have to pick something that you know about. You don't know anything about the 2002 plan, whether or not it's accurate, whether or not it's fair or anything like that, or even whether or not it's legal.

MR. JABBOUR: That's my next question. That's my next question. I put it to Mr. Price.

Is this your plan, your amendment, can it be challenged?

MR. BIERNACKI: You mean legally?

MR. JABBOUR: Yes.

MR. BIERNACKI: Of course you can file a lawsuit against anything if you want.

MR. JABBOUR: Wait a minute. I'm not going --

MR. BIERNACKI: You can yell and scream as much as you want, Mr. Jabbour, but I am loud, too.

MR. JABBOUR: You can answer the question yes or no.

MR. BIERNACKI: No, I didn't complete my answer. In my opinion after consulting with various property assessment attorneys, that this plan is legal; and that if somebody files a lawsuit, it will be upheld as legal.

Now, we will talk about Mr. Onorato's plan and whether or not that is legal, which, again, in my opinion, it is not legal.

PRESIDENT FITZGERALD: We will go on that one in a minute.

MR. JABBOUR: Do you feel that your plan will be upheld by Judge Wettick?

MR. BIERNACKI: Yes, clearly, because I will give you my reason, read his Opinion. It specifically says -- you want me to get it?

MR. JABBOUR: I have it right here.

MR. BIERNACKI: You can take a look at his conclusion. The predetermined ratio can be 100 percent or anything lower specifically in his Opinion.

MR. JABBOUR: You're saying to me Judge Wettick will accept your plan, is that what you are saying?

MR. BIERNACKI: I don't know that yet. I'm not a judge, I'm a lawyer, but I'm saying in my legal opinion he will uphold our plan.

MR. JABBOUR: That's your opinion. Mr. Wojcik said that his plan can be held up by Judge Wettick, so

we have two; right?

MR. BIERNACKI: Not necessarily.

MR. JABBOUR: Wait a minute, sir. You're acting as if we are in a court of law. I'm only asking questions in stating what has been said by other people.

Mr. Wojcik said he thinks Judge Wettick will hold it up. You say no. Now I'm trying to make a judgment here on this situation but you don't know what Judge Wettick is going to do and neither do I, and you've both agreed they both can be challenged. We really don't have -- what I am driving at, we really don't have a perfect plan, do we?

MR. BIERNACKI: Mr. Jabbour, with all due respect to Mr. Wojcik, he is an advocate and he is trying to defend certain plans of his client, Mr. Onorato. Unfortunately, he's been given a very tough task this year. He has gone before Judge Wettick. He did, unfortunately, come here and give his first plan as going to be legal and his opinion was wrong. I think at that time myself and a couple other County Council members said that plan was going to be illegal. So I think that at least with regard to a track record on the legality of assessment issues, my opinion has prevailed fully.

I'm not criticizing anything as to other opinions. I'm saying Mr. Wojcik is the advocate for a certain position. I would ask Mr. Wojcik, he hasn't commented on my plan. He can comment all he wants whether or not he believes my plan will be illegal. I have not heard him say that.

MR. JABBOUR: I'm not here to pit one lawyer against another. I always thought you had three strikes before you're out. He just failed once. Let's be fair here, you know. You're coming up to bat for the first time. We don't know what you can do.

So please understand, I'm not here to mock anybody, but I'm just trying to be realistic, Mr. Price. We don't know what your plan is going to do. We have no idea. The Administration has come up with a new plan.

Now, sitting here, it is very difficult to judge from all the information that keeps pouring and pouring into here.

Now, I just want to say a couple things. Some of you have never -- I don't hold that against you, you have never been a Councilman on a municipality or school board. I heard a lot of comments here as if an authority was sitting here.

First of all, the school board goes according to their own budget. If any one of these assessments go down, they are going to raise the taxes, and they get away with it, and I'm not condemning them, it's for the children, because I have gone through it, not as a school director but by sitting on a municipality. The municipality raises it one mill, then Councilmen take a beating. The school board raises it two mills, their way out is, we are going to do something for the children.

I don't understand where all the authority is coming here if you never sat on a board. They are not going to cut personnel. They are not going to do that, because they need them for the children. They are not going to cut back the type of thing that Mr. Onorato did with 500 people, which I was very surprised. You know how you talk, boy, this is political, you can get a political job here. He cut 500 jobs. I didn't hear anybody give him credit for it, but everybody was happy. We didn't have to raise taxes.

This is a very challenging thing here that we are attempting to do. Mr. Price, let me ask one question that's been bugging me. Why did everybody wait until game time to throw in another play? Why?

Please don't tell me we were waiting for Mr. Onorato's statement, Mr. Francis, because I didn't accept that. I just didn't want to prolong the meeting for three more hours; but basically the fact is something like this, if you were really interested, you would have said something, and I said it at the meeting in July and August. Now we waited until October and we put in a substitute. So if you had a plan and if it was good, I'd be happy to accept it.

PRESIDENT FITZGERALD: Mr. Price, you want to respond? I know you have some responses, and Mr. DeFazio.

MR. PRICE: I do not understand where you believe that I had some nefarious plot to sweep away the issue of assessments and take it to my own charge. You have (inaudible) mystery which apparently you have forgotten. Mr. Onorato submitted his first plan, it was the 2006 numbers, then he pulled that off the table. He then submitted his four percent plan. It was voted on by this Council and then he went to court. It went through the court system and was properly and quickly rejected.

Mr. Onorato then said that he was going to fix the system. It was his task, which he said he would undertake; moreover, Mr. Onorato was the one who was

retrieving grants from the state, paying consultants and hiring other people to help him fix the system, not something that I had at my disposal.

It was not until he came up with a third and fourth plan that I said this is getting to the point where unfortunately we are looking like a circus on the issue of assessments, and I would like to see if there was some type of compromise that could be made.

I spoke about some of these plans and if you will remember at the Committee meeting, I thought I asked a lot of questions with regard to this 5.86 percent plan and I thought it was illegal, and I looked for some type of compromise and I know that you're looking for some confession from me that I was ought to get Mr. Onorato, but let me tell you that my purpose and my motives were simply to do what's right and fair and try to find some type of compromise on this issue because it is lingering. It's not something that we are addressing in a sane manner. We are arguing over the most minute details when we should be talking about what is fair in these assessment plans, and we are attacking each other.

We have drawn our lines on both of these plans. I don't know at this point if more talking is going to convince people. You want to look for something evil in my heart with regard to this proposal and, again, it's not borne out of that. It's just borne out of trying to do what's right; and if you take a look at this plan, I know we are all talking about the fact that we are getting e-mails from our constituents on this. My e-mails are, shut up, we like Mr. Onorato's plan, it's helping us; but I think what we have to do is what's right, and I'm sorry if you are looking for some evil intent from me. I'm simply trying to make it a fair system. Ms. Bunn, our Chief Assessment Officer, has borne that out. You're here attacking Mr. Biernacki; and Mr. Biernacki, I don't believe he's being paid for anything he did here today.

Are you?

MR. BIERNACKI: No.

PRESIDENT FITZGERALD: I don't believe anybody attacked Mr. Biernacki. I haven't heard that. If you have, maybe I missed part of that.

MR. PRICE: The questions about his random sampling, I'm sure he came up with it. He is not being paid for anything that he did here today. I think that he saw there is a flaw in the system and what he is trying to do is make it better and present us with more information, which is what we need.

PRESIDENT FITZGERALD: I will let Mr. Jabbour respond.

MR. JABBOUR: First of all, I want to clarify, you're a friend of mine. I'm not here attacking you and accusing you of anything; but my line of questioning is one that I use in order to find out the answer. So if it sounds like I'm coming at you and you feel there is something behind the scenes, it's not true; but eventually if something is, it will come out. It may not come out tonight. It may come out another night, but my line of questioning is not to hurt Mr. Biernacki.

What am I going to gain by hurting you? What am I going to gain by hurting you? I didn't think I said anything to insult you but you may have felt I was attacking you. I'm attacking your plan, and I want to know how it came about. I want to know why it came about, which you explained; but to be honest with you, if it was really your plan to put it together, you could have gotten all the information you wanted in September and in August, and I'm sure Mr. Flynn would have gave you all the information that he had with hopes of somebody helping this Administration, if they needed help. So that's what all my points are.

So if I sound a little rough, I'm not mad. I'm not angry. That's the way I talk to try to get an answer, because I don't talk like that (demonstrating). I talk, what is the answer, because I have learned that's the way somebody finally answers you correctly.

So I respect you as a friend. I respect you as a lawyer, and I also respect you as a Council Member of Allegheny County. I hope I made myself clear, because all of you are friends of mine. I respect you; but if I come on strong, it's only to get an answer.

Thank you.

PRESIDENT FITZGERALD: We are going to wrap this up in a couple of minutes because I had indicated six o'clock we are going to recess the meeting.

Mr. DeFazio.

MR. DE FAZIO: Under Judge Wettick, he has certified these 2002 assessment values; right? Mr. Biernacki, do you know that?

MR. BIERNACKI: Would you please repeat that.

MR. DE FAZIO: Judge Wettick has certified the 2002 assessment values; right?

MR. BIERNACKI: I don't think so.

MR. DE FAZIO: I think so.

MR. BIERNACKI: He doesn't certify. The assessor does that or Certification Board, I don't know

who.

MR. DE FAZIO: He okays it?

MR. BIERNACKI: Yes, he has done that.

MR. DE FAZIO: We have spent \$30 million on reassessments; right?

MR. BIERNACKI: I think it was \$39 million. \$30 is close enough.

MR. DE FAZIO: Eight more million spent on appeals. They went through these numbers over and over. I want to come up with another complete system. Come on, this just doesn't make sense to me. We wouldn't go through all this. We spent money doing all this and now we are thinking of another system. Let's change the system. Look, if you think or people, whoever it is is making that decision think it's okay, 45 percent is the increase, all right then.

MR. BIERNACKI: I don't think that's the case that 45 percent of the assessment is going to increase.

MR. DE FAZIO: Let me ask you a question because everybody dances around this. Is it or is it not true the paper I looked at said 45 percent of the properties will increase. Is that correct?

MR. BIERNACKI: I don't know.

MR. DE FAZIO: You don't know?

MR. BIERNACKI: What assessments are involved? I asked that question, are they the 80 percent adjusted to the 2005 CLT numbers or unadjusted or what? I just didn't know what this was.

MR. DE FAZIO: According to your numbers, then, I'm not attacking you, I'm just puzzled. I'm trying to get a straight answer. Maybe I will talk lower so that means I'm not talking yelling.

Under your study how many properties are going to increase, would you say?

MR. BIERNACKI: I believe I mentioned earlier that 76 percent of the 2002 assessments will be higher than those under the 80 percent plan, so they will be higher. That means the assessed values will be lower in the 2006 base year plan.

MR. DE FAZIO: When I was talking to Mr. Flynn, he said 45 percent will increase.

MR. BIERNACKI: Again, you know, I'm not sure what numbers he was using, whether 80 percent adjusted numbers or whether they were unadjusted.

PRESIDENT FITZGERALD: He indicated the GOP plan.

MR. BIERNACKI: Is that what it was?

PRESIDENT FITZGERALD: Yes.

MR. BIERNACKI: I wasn't sure.

PRESIDENT FITZGERALD: That's what he answered.

MR. BIERNACKI: I would certainly dispute those numbers.

PRESIDENT FITZGERALD: You don't think 45 percent would increase?

MR. BIERNACKI: Not in light of the fact that there's 76 percent of the 2002. GOP's 80 percent plan are lower than that.

PRESIDENT FITZGERALD: How many do you think would increase?

MR. BIERNACKI: I don't know. I didn't look at that. I would think maybe at the most maybe 80,000 to 100,000.

MR. DE FAZIO: We are talking percentages now?

MR. BIERNACKI: That's 30 percent. That's a wild guess. It's an educated guess.

MR. DE FAZIO: So far we had 45 that may be wrong until we see, but you're saying maybe it's 30, and the other party was saying it's 45.

MR. BIERNACKI: I don't know whether he was talking residential.

MR. DE FAZIO: No, that I do know. We were talking about residential.

PRESIDENT FITZGERALD: If you are talking 100,000, you're basically talking 20 percent because there are 500,000 residential properties.

MR. BIERNACKI: Single family that I studied were 364, so 100,000 is a 30.

PRESIDENT FITZGERALD: You're talking single family?

MR. BIERNACKI: Not any other type properties. That's the ones that everyone seems to be concerned with.

MR. DE FAZIO: We were talking all residential.

MR. BIERNACKI: Large condos, residential.

MR. DE FAZIO: I want to get to the bottom. I want to get to the bottom.

MR. BIERNACKI: I just want to do that.

MR. DE FAZIO: I do want to do that. Everybody has their own spin on this. I'm want to get to the bottom.

PRESIDENT FITZGERALD: Mr. Francis is going to have the last word and we are going to recess until Friday.

MR. FRANCIS: Whether it's 45 percent or 30 percent, I think we are all -- we are forgetting the fact that there's 55 percent or 70 percent or whatever

that number is that are going down.

MR. DE FAZIO: We know that.

MR. BIERNACKI: Can I say one final thing before you adjourn? I will say this quickly. You can talk about it later. I studied selected school districts.

PRESIDENT FITZGERALD: We can do that Friday. Before we recess, on Friday, just to kind of announce what we want to do, we want to finish up on the Republican GOP or Price plan, however you want to term it on Friday, then we will move into the Onorato plan. We are going to go Friday as long as we have to finish this up with the intent of bringing these Bills up for full consideration at our meeting on Tuesday, the 18th, then people can vote how they want.

MR. GASTGEB: Just for the record, why are we not doing this tomorrow night?

PRESIDENT FITZGERALD: Yom Kippur goes from sundown to sundown, so Yom Kippur does not end until tomorrow night. We could start at eight or nine o'clock, but I feel that would be insensitive to maybe some of our Jewish constituents who would be observing their most sacred day of atonement.

MR. GASTGEB: That was worth putting out publicly.

PRESIDENT FITZGERALD: Thank you.

This meeting is in recess until Friday at five o'clock.

(At 6:05 p.m., the meeting was adjourned until Friday, October 14, 2005, beginning at 5:00 p.m.)

C E R T I F I C A T E

I hereby certify that the proceedings at the hearing of the within cause have been transcribed and that this is a true and correct transcript of the same.

*Ursula H. Pappas
Registered Merit Reporter*

IV. Adjournment

Summary: *The meeting adjourned at 6:05 PM*