

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Tuesday, June 27, 2006

4:00 PM

Conference Room 1

Committee on Budget and Finance

William Russell Robinson, Chair; Jim Burn, Susan Caldwell, Joan Cleary, Matt Drozd, Mike Finnerty, Brenda Frazier, Vince Gastgeb, and Rich Nerone

I. Call to Order

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

Invited Guests:

Judge James, President, Court of Commons Pleas or Designee

Jim Flynn, County Manager or Designee

Amy Griser, Director, Budget & Finance

Derek Uber, Assistant County Manager

Summary: *Invited Guests Present: Ms. Griser and Mr. Uber*

Recognized Attendees: John Woltz, County Law Department; Darnell Moses, Department of Economic Development; Jeff Lengel, Residential Resources, Inc.; Charles Goodwin, Mellon Financial Markets; Ron Rabo and Jerry Tyskiewicz, Court of Common Pleas; and Peter Schepis from the Office of Budget & Finance.

Council Staff Present: John Mascio, Jennifer Liptak, and Jared Barker

II. Roll Call

Summary: *Non Committee Council Members Present: Mr. Macey and Ms. Rea.*

Roll Call: Present: Susan Caldwell, Joan Cleary, Michael Finnerty, Brenda Frazier, and Chair William Robinson
Absent: Jim Burn, Vince Gastgeb, and Rich Nerone
Phone: Matt Drozd

III. Approval of Minutes

2674-06 Motion to approve the Minutes of the June 13, 2006 Budget & Finance Committee Meeting.

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

Votes: Yes: 5 - Caldwell, Drozd, Finnerty, Frazier and Chair Robinson
Abstain: 1 - Cleary
Absent: 3 - Burn, Gastgeb and Nerone

IV. Agenda Items**Ordinances**

2644-06 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania authorizing the County to enter onto a new lease agreement for premises it currently occupies in the County's portion of the City-County Building.

Sponsors: Chief Executive

Summary: *Ms. Liptak provided a summary of the bill citing Council's Briefing Report. She indicated that the Administrative Code requires Council to approve the sale or lease of any County-owned real property for both carrying out County functions or for the sale*

or lease to a private party.

She said that the Allegheny County Bar Association (ACBA) has occupied its space on the 9th floor of the City-County building for over 30 years. In 1995, the ACBA and the County entered into a 10 year lease agreement whereby the ACBA agreed to pay the County rent in order to offset operating expenses.

The County and ACBA have agreed to enter into a new five (5) year lease commencing 9/1/2005 for the same space at a new rent of \$21,000.00/lease year (\$1,750.00/month. The terms and conditions are outlined in the lease agreement attached as Exhibit "A" to the proposed ordinance.

Mr. Finnerty asked where liability lies. Mr. Woltz said that the Bar Association provides the County with an insurance certificate for liability.

Action:

A motion was made by Finnerty, seconded by Cleary, that this matter be Affirmatively Recommended. The motion carried unanimously.

2661-06

An Ordinance authorizing the incurring of lease rental debt not to exceed an aggregate amount of \$2,750,000 by entering into a debt service reserve fund replenishment guaranty agreement. Ordinance of the County of Allegheny, Pennsylvania (the "County") determining to incur debt in an aggregate amount not to exceed \$2,750,000 in connection with a project to be undertaken by the Allegheny County Industrial Development Authority (the "Authority") on behalf of Residential Resources, Inc., Residential Resources Southwest, Inc. And Residential Resources Development Corporation; determining that such debt shall be incurred as lease rental debt to be evidenced by a debt service reserve fund guaranty agreement (the "guaranty") by the County relating to the authority's lease revenue bonds, series of 2006 (Residential Resources Inc. Project), to be authorized and to be issued by said authority; briefly describing the project; authorizing and directing the preparation, certification and filing of the debt statement, the borrowing base certificate to be appended to the debt statement, and other appropriate documents required by the local government unit debt act [53 Pa.C.S.A §8001 et seq.]; issuing, upon receipt of approval of the Pennsylvania Department of Community and Economic Development, the guaranty; authorizing delivery of the guaranty to the trustee under a trust indenture; specifying the amount of the guaranty obligations of the County pursuant to the guaranty; guaranteeing replenishment of the debt service reserve fund in an aggregate amount not to exceed \$2,750,000 and making certain covenants with respect thereto; authorizing the execution and delivery of a reimbursement agreement and related documents; and providing for proper officers of this county to take all other required, necessary or desirable related action in connection with said project.

Sponsors: Chief Executive

Summary:

The Chair said that he and Ms. Liptak met with Mr. Moses and was satisfied with the information he provided them relative to this bill. Ms. Liptak provided a summary of the bill. She said that the bill provides a guaranty of the Debt Service Reserve Fund (DSFR) for Bonds issued by the Allegheny County Industrial Development Authority

(ACIDA) in an amount not to exceed \$2,750,000. She also said that the guaranty provides that if Residential Resources (RRI) should fail to pay the full amount of any deficiency in the DSRF when it becomes due and payable, the County will pay the full amount of that deficiency with the aggregate amount never exceeding \$2,750,000.

Ms. Griser also offered a brief summary of the bill. Mr. Moses provided some historical information on the project. Mr. Lengel explained to the committee what his company, Residential Resources, Inc., actually does. He said that they renovate homes based on the needs of the tenet agencies. He said that they own and operate over 200 pieces of property, and he said that stability is essential because they are dealing with the disabled.

Mr. Goodwin provided financial details of the refinancing. He said that the rates are good now and it would be wise to do this.

The Chair asked Ms. Griser to make sure that the appropriate people are present at the July 5, 2006 Regular Meeting of Council in case other Members of Council have any questions regarding this bill. He also asked if the bill was time sensitive. Mr. Moses and Mr. Goodwin both indicated that they would prefer that Council pass this on July 5th since the rates are good and if they wait they may not be as favorable.

Action:

A motion was made by Finnerty, seconded by Cleary, that this matter be Affirmatively Recommended. The motion carried unanimously.

Resolutions

2662-06

A Resolution ratifying certain year-end transfers pursuant to Section 805.03 of the Administrative Code

Sponsors: Chief Executive

Summary:

The Chair explained that this bill was pro forma and was done every year. Ms. Liptak provided a summary of the bill. She said that the Administrative Code requires a ratification by Council for “. . . all operating budget transfers including appropriation required to clear post-closing entries, between and within any departments, offices or agencies for the purpose of complying with generally accepted accounting principals (GAAP) related to the matching of expenditures with the appropriate fiscal period.”

She said that the transfers outlined in the bill have been determined by the Budget Transfer Committee, established under Article 805, as appropriate and necessary to balance the 2005 Operating Budget.

The Chair offered an amendment to the bill which would correct an adding error in the original bill. He said that amendment would have no bearing on the overall intent of the bill. Mr. Drozd said that he had some questions on particular transfers. The Chair told Mr. Drozd that he could address those questions to Ms. Liptak and she would provide him with the answers.

Ms. Frazier made a Motion to approve the amendment. Mr. Finnerty seconded the Motion. The Motion carried unanimously.

Ms. Cleary also had some questions on particular transfers in Human Services. Ms.

Liptak explained how the transfers are listed. The Chair told Ms. Cleary and the committee that they could address these questions to Ms. Liptak and Ms. Liptak would provide her with the answers. Ms. Cleary said she would do that.

Action: **A motion was made by Frazier, seconded by Finnerty, that this matter be Amended and Affirmatively Recommended as Amended. The motion carried unanimously.**

2664-06

A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2006 (Submission #06-06).

Sponsors: Chief Executive

Summary: *Ms. Liptak said that she reviewed the legislation and everything was in order. Mr. Finnerty asked what an edible school yard was. Mr. Schepis explained that the county plants gardens in school yards and develops curriculum around the gardens. There were no further questions.*

Action: **A motion was made by Cleary, seconded by Finnerty, that this matter be Affirmatively Recommended. The motion carried unanimously.**

Discussion Topic:

2006 Budget Matters - Allegheny County Court of Common Pleas

Summary: *Ms. Liptak provided comments relative to the Courts budget thus far. She said that they submitted the information requested in a timely fashion and it appears that they are on track to meet their spending target for the year.*

Ms. Griser said that last year the Courts exceeded their budget by \$1.5 million but most of that was caused by a reduction in Federal funding. Mr. Tyskiewicz agreed with Ms. Griser.

The Chair asked Mr. Tyskiewicz if he anticipates asking Council for additional funding for the current year. Mr. Tyskiewicz said that they are hoping to receive additional state and federal funding if that occurs they will ask Council to open the budget to appropriate those funds.

The Chair said that the committee will do what they can to work with the courts realizing that much of their challenge is out of their control. He said that the County is obligated to do that and that they try to keep the Courts from being in a position of having to sue the county because they do not have enough funds to carry out their duties.

Mr. Tyskiewicz provided the committee with a detailed explanation of the courts funding breakdown.

The Chair reminded the committee that the Courts will be back before this committee around budget time and that he and Ms. Liptak will develop some questions for them and he invited other members of the committee to do the same.

V. Adjournment

Summary: *The meeting adjourned at 5:00*

