

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Tuesday, February 26, 2008

4:00 PM

Conference Room 1

Committee on Budget and Finance

William Russell Robinson, Chair; Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Mike Finnerty, Vince Gastgeb, Bob Macey, and Chuck McCullough - Members

I. Call to Order

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

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

Invited Guests:

Jim Flynn, County Manager or Designee

Amy Griser, Director, Budget & Finance

Derek Uber, Deputy County Manager

Summary: *Invited guests in attendance: Mr. Flynn and Ms. Griser*

Recognized attendees: Controller Mark Flaherty and Deputy Controller Guy Tumolo

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

II. Roll Call

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

III. Approval of Minutes

3764-08 Motion to approve the Minutes of the February 12, 2008 Budget & Finance Committee Meeting.

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

Votes: Yes: 9 - Drozd, Finnerty, Macey, Chair Robinson, Council Member Fitzgerald, Council Member Futules, Council Member Martoni, Council Member Rea and Council Member McCullough
Abstain: 1 - Cleary
Absent: 3 - Burn, DeFazio and Gastgeb

IV. Agenda Items**Ordinances**

3663-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," through the creation of a new Chapter 480, entitled "Essential Services and Tax Exempt Certification," in order to provide for a tax exempt certification and essential services fee for certain properties within the County for which an exemption from the real property tax is claimed.

Sponsors: Chuck McCullough, William Russell Robinson, Joan Cleary, John DeFazio, Michael Finnerty, Rich Fitzgerald, Vince Gastgeb and Bob Macey

Summary: *Mr. McCullough provided the committee with a summary of the bill. He said that this Code amendment would require, on an annual basis, each property for which an exemption is claimed in whole or in part from the Real Estate Property Tax to obtain exemption from the real property tax and pay a Tax Exempt Certification and Essential County Services Fee.*

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

Ms. Liptak distributed copies of the required Fiscal Note pertaining to the bill. The Chair reminded the committee that the purpose of the Fiscal note is to inform Council Members of the fiscal aspect passage of this legislation would have on the County.

Mr. McCullough proposed an amendment to the bill. He provided an explanation on his amendment. He said that the amendment would clarify applicability of the services fee and add language governing appeals and penalties for non compliance and would also adjust the fee structure.

Mr. Finnerty asked if the current Fiscal Note would still be applicable in the event that the amendment passes. The Chair said that if the amendment passes it would be prudent to issue another Fiscal Note.

*Mr. McCullough made a Motion to amend the bill
Mr. Drozd seconded the Motion*

Ms. Cleary said she needed more time to read the amendment and was not prepared to vote for it. Mr. Macey said the same.

The amendment failed by a vote of 3-3, with Council Members McCullough, Robinson, and Drozd voting yes; and Council Members Finnerty, Cleary, and Macey voting no.

Action: Held in Committee

3673-08

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

Sponsors: Chuck McCullough, Matt Drozd, Vince Gastgeb, Jan Rea, William Russell Robinson, Joan Cleary, Michael Finnerty, Rich Fitzgerald and Bob Macey

Summary: *The Chair distributed a copy of a letter dated February 25, 2008, sent to him from Controller Flaherty requesting several language changes in the bill to avoid conflict with his legislative mandate.*

An amendment was prepared to address these issues. Ms. Liptak provided the committee

with a summary of the amendment. She said that the amendment to the bill was drafted through a working group of Director Amy Griser, representing the Administration, Bob Lentz and Guy Tumolo, representing the Controller, and Budget Director Jennifer Liptak, representing County Council. She said that the amendment essentially provides language that distinguishes specific gaming revenues that should be classified as operating revenues versus special revenues. It is noted that this bill and amendment relates to the budgeting of these revenues and is not designed to circumvent the Controller's responsibly to report and record items in accordance with the state enabling legislation, Generally Accepted Accounting Principles (GAAP) or Government Accounting Standards Board (GASB) regulations.

Mr. McCullough said that he spoke with the Controller regarding the amendment and that he, Mr. McCullough, had no objections to the amendment.

Mr. Finnerty said that he hopes that the amendment does not jeopardize the collection of the funds. He said that he is beginning to have concerns over the bill.

Mr. McCullough made a Motion to amend the bill.

Mr. Finnerty seconded the Motion.

The Motion to amend the bill passed unanimously.

Action:

Amended & Held in Committee

3681-08

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," through the creation of a new Article IX, entitled "Community College of Allegheny County Tuition Stabilization," in order to provide a mechanism for stabilizing and/or reducing student tuitions at the Community College of Allegheny County.

Sponsors: William Russell Robinson

Summary:

The Chair provided the committee with a summary of the bill. He said that the bill would require Council to make an annual appropriation to the Community College for the purpose of reducing or stabilizing tuitions for students enrolled at the College. He also said that the bill would create a matching fund type structure, in which the County would be bound to appropriate one dollar for every two dollars raised by the College or affiliated entity for tuition stabilization purpose and that the County's appropriation would be capped at \$1 million per year.

The Chair distributed copies of proposed amendments to the bill. He asked Mr. Barker to explain the amendments to the committee. Mr. Barker explained that basically accomplishes four things. First, it makes clear that any money appropriated by the County for tuition stabilization would be calculated according to money raised by the College for that same purpose in the previous calendar year. This gives the College the benefit of essentially the full calendar year to go through their fundraising before the match is calculated. The second change explicitly indicates that revenue the College receives from governmental entities is not eligible for matching tuition stabilization funds from the County. The third change makes clear that any tuition stabilization revenues would be appropriated in addition to what the County already gives the College in the budget. The fourth and final change establishes that any matching funds

granted must be approved by legislative action of the County (specifically, by ordinance or resolution).

Mr. Finnerty asked if he could obtain a list of those who donated to the foundation within the last 5 years. The Chair instructed Ms. Liptak and Mr. Barker to provide that information to Mr. Finnerty.

*Mr. Macey made a Motion to accept the amendments
Mr. Finnerty seconded the Motion.
The Motion passed unanimously.*

Action: **Amended & Held in Committee**

Resolutions

3758-08

A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2008 (Submission #03-08).

Sponsors: Chief Executive

Summary: *Ms. Liptak provided the committee with a detailed summary of the items contained in the bill. There were no issues or concerns raised by any of the Council Members.*

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

3762-08

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, directing Allegheny County Council's Committee on Budget and Finance to undertake a comprehensive analysis of existing and potential County fees and charges.

Sponsors: Chuck McCullough

Summary: *Mr. McCullough provided a summary of the bill. He said that the bill would resolution authorize and direct the Committee on Budget and Finance to review and analyze all existing fees and charges currently imposed by the County, and recommend optimum fee levels to Council. It also directs the Committee to review and propose new fees.*

The Chair told Mr. McCullough that there is additional information available from Council, the Controller's Office, and the administration that may address some of the concerns in his bill. He said that he is willing to have staff compile that information and present it at the next Budget & Finance committee meeting. Mr. McCullough thanked him for that offer and said that it would be a good starting point but that there may be other activities outside the compilation that fees can be imposed upon.

The Chair directed Ms. Liptak to compile that information of existing County charges and fees and, if possible, have it ready for the next Budget & Finance committee meeting. He said that once the committee receives this information they will continue to discuss the bill.

Action: **Held in Committee**

V. Adjournment

