

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Thursday, July 17, 2008

5:00 PM

Conference Room 1

Committee on Government Reform

***Rich Fitzgerald, Chair; Jim Burn, Jim Ellenbogen, Nick Futules, Vince Gastgeb,
Amanda Green, Bob Macey, and Chuck McCullough - Members***

I. Call to Order

Summary: *The meeting was called to order at 5:00 PM*

Invited Guests:**Jim Flynn, County Manger or Designee**

Summary: *Invited guests in attendance: Mr. Flynn*

Recognized attendees: Michael Wojcik, County Solicitor

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

II. Roll Call

Roll Call: Present: Jim Burn, Jim Ellenbogen, Chuck McCullough, Rich Fitzgerald, Council Member Michael Finnerty, Council Member Jan Rea, and Council Member John DeFazio
Absent: Nick Futules, Amanda Green, and Bob Macey
Phone: Vince Gastgeb

III. Agenda Items**Ordinances****4166-08**

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, directing that three referendum questions regarding tax limitations found in Article II of the Home Rule Charter of Allegheny County, entitled "Tax Limitations," be placed on the November 4, 2008 General Election ballot.

Sponsors: Vince Gastgeb, Matt Drozd, Chuck McCullough and Jan Rea

Summary: *Mr. McCullough provided the committee with a summary of the bill. He said that the is an ordinance that would place three questions on the November 4, 2008 General Election Ballot, as follows:*

1. *Question 1 would limit the County's property tax rate to 4.69 mills, and would place this limitation in Article II, Section 1 of the Charter.*
2. *Question 2 would place an upper limit of 0.5% on the County's alcoholic drink tax rate in Article II, Section 2 of the Charter.*
3. *Question 3 would place an upper limit of \$0.50 per day on the County's rental vehicle tax rate in Article II, Section 2 of the Charter.*

He said that each of these questions would place a limitation on taxation rates in the language of the Charter itself. Because the only means of amending the Charter is by referendum, this would in effect freeze these rates unless/until another referendum raising one or more of them passes. He also discussed an amendment to the bill that he said he planned to propose.

Mr. Burn asked Mr. McCullough if he had any other replacement revenue sources. Mr. McCullough said that he has various proposed legislation that he introduced which would accomplish that.

Mr. Fitzgerald said that bond agencies cited that the two new sources of revenue, the drink tax and car rental tax, as improving the overall financial condition of the County. He asked Mr. Flynn to comment on that. Mr. Flynn said that the two new revenue streams were recognized by bond agencies as positive and improved the County's bond rating.

The Chair said that he did not think that this question should be placed on the ballot without balancing the budget.

Mr. Gastgeb said that he did not think that the drink tax and property tax are related. He said he did not think that it has to be one or the other, and that the drink tax is not a panacea for public transportation.

Mr. McCullough said that he was concerned about legal challenges if too many referenda were placed on the ballot. He said that he did not want to have competing referenda on the ballot.

Action: *A motion was made by Council Member DeFazio, seconded by Burn, that this matter be Returned Without Recommendation. The motion carried unanimously.*

4202-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, directing that a referendum question regarding amendment of Article IV, Section 2.m. of the Home Rule Charter of Allegheny County to provide for elimination of the Port Authority of Allegheny County be placed on the November 4, 2008 General Election ballot.

Sponsors: Chuck McCullough

Summary: *Mr. McCullough provided the committee with a summary of the bill. He said that the bill is an ordinance that would place one question on the November 4, 2008 General Election Ballot. As written, the question would amend Article IV, Section 2.m. of the Charter to require the dissolution of the Port Authority by June 30, 2009.*

He said that the reason for the abolition of the Authority is questionable fiscal judgment, and the bill's recitations highlight lobbying expenses, the North Shore Connector, and budget overruns for the North Shore and Gateway Center T stations as examples.

He said that he wanted to explore the possibility of making it a private entity. Mr. Burn asked Mr. McCullough if he spoke with anyone that was willing to take over the Port Authority. Mr. McCullough said that he did not speak with any particular carrier but that he has legislation currently in committee which asks the Controller to assess this issue. Mr. Burn asked Mr. McCullough if he thought there was enough time to abolish the authority. Mr. McCullough said he thinks there is. He said that a filing a Chapter 9 would be appropriate to accomplish that.

Mr. Burn asked Mr. Wojcik if he thought this action was legal. Mr. Wojcik said he did

not think it was legal. He cited state law which indicates that Council does not have the legal authority to terminate an authority. He said that he thinks that would have to be accomplished by the State Legislature.

Mr. Ellenbogen said that before they eliminate the Port Authority they should have some plan in place to replace it.

Mr. McCullough said that if enough of Council concurs that Port Authority is not good, then they could ask the public if they would like to reconstitute public transit.

Ms. Rea asked Mr. Wojcik if the county is required to fund the Port Authority. Mr. Wojcik said the county is not required to fund the Port Authority.

Mr. Burn said that he agreed with Mr. Wojcik that this should come from the State Legislature.

Mr. McCullough said that Port Authority is not synonymous with public transit, and that all they would be doing was dissolve Port Authority, not eliminate mass transit. Ms. Rea agreed with Mr. McCullough.

Mr. Burn said that there should be some type of plan in place before this is considered. Mr. DeFazio said that he thinks they do not have near enough information to take action at this point.

The Chair said that everyone agrees that improvements need to be made, but that there is a virtue in stability, and once they start making big changes to vital government entities, they would be creating more issues than they could resolve. He also mentioned that the county contributes less than 10% of Port Authority's budget, so they are not the lead agency.

Action: **A motion was made by Burn, seconded by McCullough, that this matter be Returned Without Recommendation. The motion carried unanimously.**

IV. Adjournment

Summary: *The meeting adjourned at 6:25 PM*