

Allegheny County Council

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



Committee Meeting Minutes

Thursday, October 25, 2007

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 William E. Lestitian - Members

*****REVISED*******I. Call to Order**

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

Invited Guests:

Mark Flaherty, County Controller

Jim Flynn, County Manager or Designee

Amy Griser, Director, Budget & Finance

Derek Uber, Deputy County Manager

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

Recognized attendees: Dawn Botsford, District Attorney's Office

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

II. Roll Call

Roll Call: Present: Jim Burn, Joan Cleary, Matt Drozd, Michael Finnerty, Chair William Robinson, Council Member Rich Fitzgerald, Council Member Jan Rea, and Council Member John DeFazio
Absent: Brenda Frazier, William Lestitian, and Vince Gastgeb
Phone: Susan Caldwell

III. Agenda Items**Ordinance****3502-07**

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Article 801 of Division 1, entitled "Comprehensive Fiscal Plan," in order to establish a mechanism for the enactment of a continuing spending resolution in the event that a balanced budget cannot be passed more than 25 days from the end of the current fiscal year.

Sponsors: William Russell Robinson

Summary: *Chair Robinson explained that this ordinance will be used as a precaution, in case Council is unable to present a balanced budget by the end of the fiscal year.*

Mr. Finnerty voiced his concern that the Committee may not be able to change the charter with this ordinance without going to a referendum. Mr. Robinson felt that the Charter does not already explain what to do in this case.

Ms. Cleary read a brief section from the Charter regarding budget deadline, but also agreed that the Charter is not explicit enough with this matter.

Mr. Finnerty and Mr. Fitzgerald would like legal opinion from County Solicitor.

Mr. Fitzgerald agreed that a small window of extra time to complete the budget would be appropriate, if needed.

Ms. Rea felt that budget should be completed on time.

Chair Robinson said that the bill will be held until the next committee meeting, so as to provide time to get a legal opinion on the issue.

Chair Robinson then moved to a brief discussion involving budget scenarios. He and Ms. Liptak are working on two scenarios and will make them available to the Council on 10-30-07.

Chair Robinson explained that he wanted to hear Mr. Flaherty's budget presentation, but did not find it necessary to hear from Mr. Flynn and Ms. Griser until the budget hearings on 11-1-07 and 11-2-07

Ms. Liptak and Mr. Barker handed out the new budget books to the Committee members.

Chair Robinson held up the Interim Report and the Controller's monthly report. He explained that the members should have received them in their mailboxes.

Chair Robinson then invited Mr. Flaherty to present the financial status of the County.

Action: **Held in Committee**

Resolution

3480-07

A Resolution of the County of Allegheny amending the Grants and Special Accounts Budget for 2007 (Submission #15-07).

Sponsors: Chief Executive

Summary:

Ms. Liptak provided a brief summary of the amendment to the Grants and Special Accounts Budget for 2007.

Chair Robinson announced that there were enough members present to pass an amendment.

Mr. Finnerty expressed confusion as to how the funding for the Gaming Control Board Grant would change. He requested clarification from Ms. Botsford.

Ms. Botsford provided clarification.

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

3505-07

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, urging the Allegheny County Retirement Board and Pennsylvania General Assembly to divest the County's and Commonwealth's pension funds from any companies whose business activities support or enable the Darfur genocide.

Sponsors: William Russell Robinson and Brenda Frazier

Summary: *Chair Robinson provided a brief overview of the Resolution.*

Chair Robinson has not yet heard back from the investment board regarding the investment of pension funds.

Mr. Fitzgerald requested clarification, asking if a general policy exists that details which companies the investment board is allowed to invest with.

Chair Robinson is expecting to hear back from investment board with answers.

Action: Held in Committee

Discussion Topic:

Controller Mark Patrick Flaherty will address the Committee regarding the financial status of the County

2008 Comprehensive Fiscal Plan

Summary: *Ms. Liptak passed out copies of Mr. Flaherty's Financial Status of Allegheny County report.*

Mr. Flaherty's report detailed a comparison between the 2006 and 2007 budgets, a budget re-opener and a comprehensive fiscal plan for 2008.

Mr. Flaherty explained each part in detail, and came to the conclusion that we need to look internally for additional revenues, as the state and federal governments will be unable to help.

Chair Robinson thanked Mr. Flaherty and suggested that Committee Members contact the Controller directly if they require additional information. He also discussed the placement of a re-opener on the committee's agenda.

The Committee Members then presented Mr. Flaherty with the following questions:

Mr. Fitzgerald asked about layoffs and whether 5% scenario is really and 11% scenario. Mr. Flaherty said that 2% is actually 11.7%. He said that they didn't specify where the cuts had to come from--2% is in addition to the 200 people already being laid off. It may not make sense to lay people off without looking at cutting programs first.

Mr. Finnerty said that real estate was listed as 91% in Mr. Flaherty's report, but it appeared that properties weren't getting on to the tax rolls. Mr. Flaherty answered that there is a backlog of about \$1 billion in new property in the Assessments office, which is about \$4.5 million in tax revenue for the county.

Mr. DeFazio requested clarification about the 200 job cuts. Mr. Flaherty said that the 200 cuts are reflected in the Executive's CFP, and that was their starting point, so they didn't delve into them in any additional detail.

Ms. Caldwell asked why fringe payments are at 75%, according to the report. Mr. Flaherty answered that those only reflect the fringes that will cost more than what was budgeted. He will bring more information to Tuesday's meeting.

Mr. Drozd asked what problem is causing the most issues and also if the way that the pensions are being handled is in a fashion that will keep the County from being further behind later. Mr. Flaherty said that the issue is revenue. He said that even if the County managed cuts to cover \$35 million this year, the issue will arise again because the County does not have a revenue stream that increases every year and our CBAs are mandating wage increases, health care is going up 10% each year and other costs increase too.

Mr. Finnerty said that this is, in essence, a COLA for the County government.

IV. Adjournment

Summary: *Meeting adjourned at 5:23 p.m.*