

Allegheny County Council

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Meeting Minutes

Wednesday, October 12, 2016

4:00 PM

Conference Room 1

Committee on Budget and Finance

Mike Finnerty, Chair

Members; Sam DeMarco, Nick Futules, Paul Klein, Ed Kress, Bob Macey, Chuck Martoni, Sue Means, John Palmiere

I. Call to Order

The meeting was called to order at 4:01.

Invited Guests:

The Honorable John K. Weinstein, Allegheny County Treasurer

William D. McKain, CPA, County Manager or Designee

Mary Soroka, Director, Budget and Finance or Designee

Mr. McKain was present from the Office of the County Manager.

Mr. Weinstein, Mr. Marsh and Mr. Kunka were present from the Office of the Treasurer.

Ms. Soroka, Mr. Rambo and Mr. Humenik were present from the Department of Budget & Finance.

Mr. Barker and Mr. Szymanski were present from the Office of County Council.

II. Roll Call

Members Present: 5 - Finnerty, Sam DeMarco, Ed Kress, Chuck Martoni and Sue Means

Members Absent: 4 - Nick Futules, Paul Klein, Bob Macey and John Palmiere

III. Approval of Minutes

[9851-16](#)

Motion to approve the minutes of the Committee on Budget and Finance meeting held on September 28, 2016.

A motion was made by Means, seconded by DeMarco, that this matter be Passed. The motion carried by a unanimous vote.

IV. Agenda Items**Ordinances**

[9846-16](#)

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill.

The Chair noted that the Chief Executive's millage ordinance would retain the aggregate County tax rate at 4.73 mills, with 3.9457 mills dedicated to general operations and 0.7843 mills dedicated to debt service. The Chair noted that this should equate to roughly \$359 million in County real estate tax revenues, with about \$72,338,000 in debt service payments.

The Chair reminded the Committee that the revenue side of the budget must be passed prior to the expenditures, and noted that the bill would be held, likely until the next Committee session.

Discussion Topic

Status of County Revenue Presented by Allegheny County Treasurer John K. Weinstein

At the invitation of the Chair, Mr. Weinstein, Mr. Kunka and Mr. Marsh came to the table and gave a presentation regarding County revenues for 2016. Mr. Weinstein highlighted year to date and projected total revenue for the County, noting that his office is estimating a 1.6% revenue increase from 2015 to 2016, which equates to roughly \$8 million in additional revenue.

Mr. Weinstein indicated that collections are following almost the same pattern that they followed in 2015, but also noted that County Police reimbursements from the Airport Authority are expected to be down by roughly 7.5% from 2015 to 2016. Mr. Weinstein indicated that the County's five year collection rate on property taxes is just over 98%, and indicated that he anticipates an increase of about 4.4% in drink tax revenues from 2015 to 2016.

Mr. Weinstein noted that car rental tax revenues are essentially remaining stable, and that an apparent drop is the result of a significant legal settlement that the County received in 2015. Mr. Weinstein indicated that he expects state sales tax receipts to remain stable for 2016, but that they may increase in future years as additional items become subject to the tax, while County hotel tax collections are expected to remain stable, but that these collections can be sensitive to unpredictable events like sports team performance.

Mr. Weinstein noted that the County's interest income is expected to increase by roughly 19.4% from 2015 to 2016, although the amount is not particularly high due to low interest rates. Mr. Weinstein indicated that gaming revenues forwarded to the County by the Commonwealth are expected to decrease by just over 10% from 2015 to 2016.

Mr. Weinstein described licensing revenues as likely to drop by about 6.4% from 2015 to 2016, although this equates to a change of only about \$9,000.

The Chair congratulated Treasurer Weinstein on his and his office's work.

In response to a question from the Chair, Mr. Weinstein noted that the County's cash forecasting is quite accurate, and that it is rare that extra revenues are available. Mr. Kunka described how revenues can be invested if they are available for that purpose, stressing the Treasurer's emphasis on making such investments in a fashion that safeguards the principal to the maximum extent possible. Mr. Weinstein and Mr. Kunka noted that these investments are spread among 15 or 16 financial institutions within the County.

In response to a question from Mr. Kress, Mr. Kunka noted that the County's investments tend to be short term money market funds and CDs, because it is not always possible to be sure that revenues will be available for investment for long term investment purposes. Mr. Weinstein indicated that, because larger amounts of revenue tends to come to the County early in the year, it is easier to make longer term investments early in the year, whereas in the third or fourth quarter, the existing revenues are necessary to fund the County's operations. Mr. Weinstein also noted that the County has a statutory obligation to be fully collateralized, and to invest through a bank, that bank must have deposits on hand greater than or equal to the amount invested, which is not always possible.

In response to a question from Mr. DeMarco, Mr. McKain noted that a variety of factors can impact County Police reimbursements from the Airport Authority, including cash vs. accrual accounting, younger officers who tend to earn less than more experienced officers working in a given timeframe, and the like. Mr. McKain assured Mr. DeMarco that the County does receive all reimbursements that it is entitled to from the Authority.

In response to a question from Mr. Kress, Mr. Kunka discussed the mechanisms that are used to determine whether the homestead, senior citizen's, and other exemptions are accurately applied only to properties that are eligible to receive them. Mr. Weinstein discussed the difficulties that exist within the context of verifying taxpayer income.

In response to a question from Mr. DeMarco, Mr. Weinstein noted that recorded deeds provide the basis for identifying property owners, even in circumstances in which properties are vacant. Mr. Weinstein also discussed the records that his office keeps to ensure tax billing accuracy.

In response to a question from Mr. Kress, Mr. Weinstein described the RFP process through which the vendor for the placement of ATMs at County facilities in 2013. Mr. Weinstein offered to obtain information regarding which institutions' ATMs have been placed. Mr. Kress expressed support for the concept, and Mr. Weinstein noted that the ATMs placed in the parks tend to be used fairly extensively during the summer.

Ms. Means and Mr. Weinstein discussed the placement of ATMs in the various Kane hospitals.

In response to a question from the Chair, Mr. Weinstein discussed the AirBnB hotel tax collections, with Mr. Weinstein noting that collections obviously tend to peak around special events like the U.S. Open and Mr. Kunka noting that there are actually a significant number of similar companies that function as booking agents for short term accommodations.

V. Adjournment

The meeting was adjourned at 4:35.