

ALLEGHENY COUNTY COUNCIL

2014 BUDGET HEARING

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BEFORE:

Dr. Charles J. Martoni	-	President, District 8
Nicholas Futules	-	Vice President, District 7
Heather S. Heidelbaugh	-	Council-At-Large
Matt Drozd	-	District 1
James R. Burn, Jr.	-	District 3
Michael J. Finnerty	-	District 4
Krista Harris	-	District 5
Robert J. Macey	-	District 9
William Russell Robinson	-	District 10
Barbara Daly Danko	-	District 11

Allegheny County Courthouse
Fourth Floor, Gold Room
436 Grant Street
Pittsburgh, Pennsylvania 15219

Tuesday, November 12, 2013 - 4:03 p.m.

SARGENT'S COURT REPORTING SERVICE, INC.
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Pittsburgh, PA 15219
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IN ATTENDANCE:

Walter Szymanski - Budget Director
Jared Barker - Director, Legislative Services

CHAIR ROBINSON: The hour of 4:00 hearing has arrived. Allegheny County Council Committee on Budget and Finance is going to start our public hearing. We'll have a hearing today, and another one tomorrow. The hearing for tomorrow starts at 5:00. It is the intent of the Chair, if this meeting requires us to continue on topics, to just recess this meeting and call the meeting for tomorrow into session five or ten minutes early. But I'll see how things progress.

I want to thank all of my colleagues who are here. Others will be coming, and I will recognize them as they arrive; to my far right, Ms. Barbara Daly Danko; next to her, Mr. Michael Finnerty; next to him, Mr. Robert Macey ---

MR. MACEY: Bob.

CHAIR ROBINSON: --- Bob Macey. And entering the room, the Honorable Krista Harris. For those of you who are unfamiliar with our process, we'll listen to our presenters or their representatives, and then we'll give the members an opportunity to ask questions. In the first round of questioning, if members will be so kind as to limit themselves to two questions, so that we can get through a round of questions and then come back, and we'll take as many rounds --- also, to my far right, Councilman James Burn.

We will not be voting on anything this evening. No votes will be taken. The materials that my colleagues have before them represent working documents for Council to come to a conclusion as to what kind of budget we want for the year 2014. We caution anyone who would use the figures that will probably be throwing around here today as final figures, because that would probably cause a lot of confusion. It might satisfy some people, but until my colleagues have settled on the figures and if presented something to the rest of the Council, all of us would be advised to be very cautious when we talk about figures as though they're absolutes.

We are not working now from anything that has been submitted to us by the administration. We're working on information gathered by our staff here and by members of Council. And where figures and concepts coincide, I won't say it's coincidental, but it does not represent a conscious effort to ignore the primary responsibility of this council, which is to prepare a budget. I want to thank in advance Mr. Walter Szymanski, our Budget

Director, Mr. Jared Barker, Ms. Celeste Stevens, Mr. Joe Catanese, Ms. Stephanie Bucca, Ms. Lori Secour, and Mr. --
- I got one name; I'm at that age --- I'm going to get it,
Mr. Aaron Pittman, for their help in making today possible
and making possible a smooth budget process. They worked
very hard, and I thank them without question for their
diligence, their dedication and servicing my colleagues.
As you know, all of us don't agree, but we do agree that
we need a competent, dedicated staff to serve all of us.
And I thank the people I mentioned for doing that.

On a lighter note, I want to thank Mrs. Walter Szymanski for providing us with some muffins. And I want to let her know that I had two of those muffins. They were good. And if she needs someone to test any experiments she's running with carrot cake, call me. I love carrot cake, and I'll eat at least two slices of carrot cake.

Our first presenter is Sheriff Mullen. I don't see him in the room. Our second presenter is a district attorney. I don't see him in the room. Our third presenter is the treasurer. I don't see him in the room. And our fourth presenter is the controller. I don't see her in the room. And our fifth presenter is a representative of the Common Pleas Court, and I do see Judge Manning. And he may be performing duties for the President Judge today. But we'll wait a little bit until maybe Sheriff Mullen or someone before Judge Manning appears; otherwise, I ask Judge Manning if he would be kind enough to stand ready to make a presentation on behalf of the Courts. Entering the room is my colleague, Honorable Nicholas Futules. I thank him for putting in the time and the effort. It's my understanding that our Controller, Chelsa Wagner, is under the weather today, and she will not be present. But she will have a representative at the appropriate time that will speak on behalf of herself and her office.

If we have to make changes in our schedule, we will do that, and I appreciate everybody's cooperation. For those of you who are not familiar, in the past we have asked the County Manager and the Budget Director to present on behalf of the administration, as opposed to having all the individual department heads come before us. That process has worked before; hopefully, it will work this year. Council members have been advised if they need an individual director, to either let the Chair know or

someone in the administration. We'll do our best to get that person here for you.

What I've always said is, let's not put our directors at public odds with the County Manager or the Budget Director. It serves no useful purpose. You just create a lot of anxiety. And they're probably not going to tell you anything that the Budget Director or the Manager or the Chief Executive hasn't told them to tell you. So let's understand that, and I think we can get to what we need to get to. Mr. McKain and his staff are quite capable, and they can get us the answers we need. If there are any questions that members have that are not answered tonight, we will see to it that that answer is provided to the best of our ability.

I'm not one who believes we're on some kind of time frame to get the budget done, but most of my colleagues disagree, and I'll side with them. I won't make my infamous speech about there's no Court in Pennsylvania that's going to hold us to a December 31st time frame if we're still working on the budget. Judge Manning and I haven't discussed that issue, but he probably knows that I'm right, but let's not --- let's not press it. And I don't plan to press that. I plan to accommodate my colleagues and get a budget done in the timely fashion.

To my immediate right is our President, Dr. Charles Martoni, and I thank him for putting in this time and effort on the budget, and listening to what our constituents want and listening to what our colleagues across the hall think we have to do as well as the elected officials. Normally, I give to the elected officials broad latitude in speaking. That oftentimes gets me in trouble with my colleagues. But I believe that by allowing our elected officials or their representatives to speak freely, that it gives us an opportunity to foster cooperation and respect.

I always admonish our elected officials to stay on the topic. When I was in Harrisburg, the same admonishment was given to members by the Speaker, who gave broad latitude to the leaders of each party. And members could, sort of, get some of their time, maybe. But the Speaker had a way of stopping everybody. He'd just sort of take his gavel and he'd tap lightly a couple times, and everybody knew what that meant. Please get on the topic or either please be quiet, however you want to do it. I

understand now there's some control of the microphone, so if you don't go along with the program, he gives you the Dick Bailey approach. He just cuts you off --- cuts off the mic, so whatever you say is not heard. I don't think we'll have to do that here this evening, and I thank everybody for their cooperation. I do see our District Attorney is here. I do see our President Judge is here. I don't see the Sheriff. We'll give him, maybe, another minute and then we will go to the next person on the agenda, who is our District Attorney. If the Sheriff doesn't step in this room soon, we're going to go to our District Attorney.

Let me say that all of my colleagues probably have been contacted by people who will be affected by this budget; some who feel they're not being considered for enough money, some who probably consider that the money is not suggested in the right place. No one is probably going to come in and say they have too much money. It never happens, even though I suggested on many occasions that some departments have too much money, and that we have to take some of that money and send it somewhere. I could never get a department head or the manager or the chief executive to agree. And I don't think I'll get an agreement today, either.

But let me thank in advance all of our independently elected officials for their hard work and diligence on behalf of the people of this county, sometimes under difficult financial circumstances. The Sheriff has entered the room; literally, saved by the gavel. But I thank all of you, men and women, regardless of your party affiliation or your politics, for serving, literally, 24 hours a day, for modest compensation. The only person I might not be able to say that about is the District Attorney, but I won't get into that. But his compensation is structured a little different than the other real officers.

But all of them are serving at great financial sacrifice, and I certainly appreciate that. Having been an elected official for more than 30 years, I appreciate the sacrifices that you make financially and that your family makes; so thank you. Unless there's some other comments from staff or any of my other colleagues --- and I think I've introduced everybody, and I'll introduce the others as they come in --- we're going to go to our presentations. The first presenter is going to be our

Sheriff, the Honorable William Mullen. Sheriff, if you come forward, bring with you whomever you please. If you have documents to pass out, if you'll give them to Mr. Szymanski or Mr. Barker, they'll be more than happy to help you. Our transcriptionist only has eight fingers and two thumbs. When she holds up one of those, I know she's tired; and we'll give her a chance to rest and/or change her paper. So I encourage her not to let me, or anyone here keep talking if you're not going to record it. They don't realize that. I don't realize that; so hold your hand up, and I'll stop everybody so you can gather yourself. So we thank her for her services. Even though she's paid, we thank her for being here and giving us what I'm sure will be competent service.

Anybody else need to say anything before we hear from the Sheriff? Okay. Sheriff Mullen, the floor is yours. If you'll introduce yourself and those persons with you.

SHERIFF MULLEN: Sheriff Bill Mullen, M-U-L-L-E-N, Maryann Delvecchio, the prime --- or the budget analyst, and Joe Rizzo, Chief Deputy. The Sheriff's Office, we're doing decent this year, as far as the budget goes. We're just about on track to be under budget again. We've been under budget every year. Looking at the budget for next year, certainly, we've benefited from getting, you know, a raise in our budget, which we'll be able to cover our expenditures. You may be wondering why the large raise; is because previous years, we've used money that we have saved to pay for --- for the salaries. We're even --- we were not even budgeted this year for our salaries. We pay for that out of our reserve.

We pay for things from the fees we gather, but we've drained all the accounts that we have. Consequently, it is now necessary for the county to give us the budget which --- which we have now. You know, the budget --- our revenues have gone down because of the fact that the conciliation plan that we initiated a couple years ago --- which reduced Sheriff sales by 45 percent. In doing that, you know, the fees have dropped dramatically because for each Sheriff sale, there's poundage, which is two percent of the sale.

Also, there was a change in the law for lawsuits. Lawsuits under \$12,000 can now be handled by the magistrates, where before it was \$8,000. So

consequently, both of those --- it fit, you know, our fees. And subsequently, that's part of the reasons for --- for the raise that we got. Revenues; you know, we bring in a lot of revenues, approximately \$4.2 million last year, which go to the --- goes to the General Fund of Allegheny County, which we cross-charge over \$1,000,000, which is basically in the Adult Family Court Section, which we are reimbursed by 4D money, which is money from the State. Our overtime expenses here --- our overtime, we're actually down this year, as compared to last year. Statistics; like I said before, we served less writs than we have been serving, because of the fact that --- that you know, the magistrates now handle everything under \$12,000. So the writs will be up a little bit from last year. We served --- we'll serve 38,000 writs this year, and we'll transport approximately 24,000 prisoners.

And we'll serve somewhere in the vicinity of --- we'll clear approximately 12,000 warrants. So we're a very busy office. The canine unit --- we have no dog bites this year for the canine unit. There's a summary in the book which you can look at, at what the dogs do. The evidence --- we've been tasked with keeping all the PFA weapons in our evidence locker. We had to use grant money to upgrade that, and now everything is logged by --- electronically, so we can track that. We've also got rid of, I think, approximately 300 items or 400 items which we were able to destroy with the help of the District Attorney's Office.

The District Attorney's Office was also instrumental in funding part of our canines for equipment, along with Mr. Roethlisberger. The fire departments this year; we've issued more permits --- we will issue more permits than any other year. A lot of that was due to the Sandy Hook Elementary School shootings. People were coming in droves to get a license to carry concealed. We're projected to give out 21,000 licenses to conceal this year, more than we've ever done. That money is --- it's \$20.00 for a fee for five years. \$19.00 goes to the county coffers, and \$1.00 goes to the state police. Nothing comes to --- to the Sheriff's Office.

Like I said before, Sheriff's Office sales --- Sheriff sales are down significantly to 2,800 this year. And that's --- so they're up a little bit from 2,500 in 2012, but they're down significantly from 2008 when --- which they were 4,451. Some of the grants --- the grants

are much more difficult to get. There's less grant money out there than ever before. We had received \$18,000, which we spend mostly helping smaller communities where the crime is increasing because of gang activity. We did 15 separate patrols in 10 communities. And with our presence, there was not one homicide committed in those communities while we went with the extra patrol. We have a gang intervention grant which we share with the --- with the Probation and Parole Office. It's for \$99,000 a piece, and we work diligently with them to make arrests for people that have not complied to their probation or parole standards. You know, we've confiscated a large amount of narcotics and some patrol rifles. That's about it.

The Crime Hesitation Project --- we have received some grants --- small grants from Wal-Mart, which we use for crime prevention programs, which we go out throughout the county, going to different communities and teaching things such as Build-A-Bike safety, traffic safety for children, gun safety, safety for the seniors and some other things like that. I have no complaints about the budget.

CHAIR ROBINSON: Interesting. No complaints. Someone put that in bold letters.

SHERIFF MULLEN: It may be the last time you hear that the rest of the day.

CHAIR ROBINSON: I think last year I was one of the people who said to you, we've given you all that we had at that time; come back later and we'll see what we can do. I'm glad that you're coming back and you're saying you have no complaints. That says to me that Mr. Szymanski and staff have probably suggested something that's pleasing to you, and I appreciate your service and your cooperation with other units of government. One of the things that oftentimes we're confronted with, and particularly some of our friends in the Mon Valley, are the Sheriff sales, the foreclosures, et cetera.

A lot of people don't understand it. By the time it gets to your desk, it's a done deal, that you really have to follow through and put the property up for sale, there's only so much you can do. Probably, the old-timers around here remember the infamous Sheriff Gene Coon case, where the Sheriff said he wasn't going to foreclose on his property, he just wasn't going to do it, until the Judge told him, if you don't do it, you're going to jail.

And he went up to the last minute and then he said, I'll do it.

I'm glad that you don't have to, perhaps, do that, but that people understand, once it gets to you, you're performing a duty. You have to follow the court order to put the property up for sale. And I thank you for taking a lot of heat around that, particularly in unpleasant circumstances. A lot of people don't understand it. Thank you for your service. I'm going to start with Council Burn on my far right. Two questions if you have it, sir.

MR. BURN: No, just a comment. Thank you for your professionalism and service to this county and the remarkable work that you do. And this budget is well --- well deserved. And if you had asked for more in a way that would justify it, you certainly would have been able to do it. I would have certainly advocated on your behalf. Thank you, sir.

SHERIFF MULLEN: Well, thank you. But a lot of credit, you know, goes to the staff, both the civilians and the sworn personnel in the office. They do a very good job and, you know, I thank them for putting up with all our cuts and stretching things out to the best we can do.

CHAIR ROBINSON: Ms. Danko, two questions on the first round?

MS. DANKO: I want to echo my colleague's comments. Since part of the area I represent is the Steel Valley --- and I know that that's one of the areas that you put in special efforts. I'm not sure whether it's the saturation patrol or the gang intervention or both. I'm wondering, if you had more money, what would you do with it? Or how would you spend it?

SHERIFF MULLEN: I think since we've been successful in the past, we would probably do the same thing based on, you know, where the crime is being committed, where the shootings or where the gangs are going into. We would do the same thing. We would do the saturation patrols. We do call them that. We do that other times, too, without the grant money, with --- but we have to pick and choose that. We will --- you know, because we're the central repository for the bench warrants, we'll pick an area and then flood that area, you know, with what we have.

But we also get some grant money. We're --- you know, we're partnering with the Marshals Office now for the Megan violators. And they'll be able to supply the overtime for that. And we partner with other federal agencies in which they supply the overtime for, you know, some of the --- some of the investigations we do. But we have to dedicate people full-time for us --- for them to cover the overtime. But we would do, basically, the same thing. It seems to work. And I know it's not --- you know, it's reactive rather than, you know, proactive. But that's about the best we can do. I don't think anybody has figured out how to handle the gangs and the drug problems that exist not only in Allegheny County but throughout the Country.

MS. DANKO: And I believe, looking at my budget book, you asked for two new deputy sheriffs?

SHERIFF MULLEN: Well, that's kind of like a wish list, you know. What they're going to do is, they're going to be opening up the new adult family service out in the Penn Hills area. And they have done that in the Mt. Lebanon-Castle Shannon border, and we had to dedicate two deputies out there. We're strapped for deputies, and so we asked if we could hire two more deputies. And I think that 4D money will pay for 66 percent of those two deputies. Because we --- what happened when we went out there, there was a lot of people coming in before they realized that we run everybody for wants and warrants on the computer, once we learn who's coming in.

And you know, there was a lot of arrests. And I anticipate that the same thing will happen initially out there until people learn that if you come in and you're wanted, that they're probably going to look you up and arrest you. So that's why we're anticipating --- we're hoping we can get two more deputies. If not, we'll have to, you know, find some way to either short --- you know, shortchange the people in the Family Court now.

MS. DANKO: Thank you.

CHAIR ROBINSON: Mr. Finnerty, two questions on the first round?

MR. FINNERTY: Certainly, thank you. I'd like to echo also that you do a great job here for your whole department over there. We really appreciate that and I guarantee you that the people of Allegheny County do. What is 4D money? Just out of curiosity.

SHERIFF MULLEN: It's money that's supplied for the Family Court for non-support procedures. It's supplied by the State for people who owe money for --- say, for alimony --- or for the children. They have to pay the children and they don't pay. And so that money comes to us to step up our efforts to apprehend those people.

MR. FINNERTY: Okay. Thank you. Also, when you get a grant, does that grant --- is it shown in our grants, or is it just shown in your department? We have a separate budget of grants.

SHERIFF MULLEN: Yeah. In order for us to spend it, naturally, we have to go through a Council, yes.

MR. FINNERTY: Right. Oh, okay. So if you get a grant, it's coming through us?

SHERIFF MULLEN: Yeah, you'd know about it if it's ---

MR. FINNERTY: It actually would increase our grants is what it would do, then?

SHERIFF MULLEN: Yes. Grants --- like I said before, the money is almost dried up from the State. You know, the PCCD money is almost --- it's nonexistent. It's very hard to get.

MR. FINNERTY: Okay. Thank you very much.

CHAIR ROBINSON: Mr. Macey, two questions on the first round?

MR. MACEY: Thank you, Mr. Chairman. Again, I'd like to thank you, your deputy, as well as Ms. Delvecchio, for all the work that you do. I know it doesn't come by yourself. There's a lot of good people behind you, a lot of good sheriffs. I know one time when I came to you and I offered --- or I asked for some additional help in my neck of the woods, so to speak, with crime. I said, would it be suitable for your sheriffs, while handing out writs and subpoenas, if they would be able to drive through some of the communities with high crime. And you said, good idea, we will do that. And I've seen them.

SHERIFF MULLEN: Yeah, we've been doing it. We've trained the writs deputies, and we have --- we're the only law enforcement agency with jurisdiction throughout Allegheny County that has people assigned every day in a different geographical areas of Allegheny County, serving writs. And we've trained them. You know, we've armed them with patrol rifles and ballistic vests. They also respond to certain situations, like the Western Psych

shooting. You know, we were able to set up a perimeter. We're not --- we're not trained to go in as a SWAT team, but we can help and set the perimeter.

We've also touched base with different agencies, the different police departments and let them know that we're out there and that we can be used. And we've used them when something happens. We'll --- you know, we'll throw a bunch of writ district --- or writ district people into that particular area. We try to do that every day; but you know, like I said before, they serve 38,000 writs a year. So they're very busy, but we keep them out there in that area. So they should be patrolling and looking for crime.

MR. MACEY: I just believe that that 10 or 15 extra minutes they ride through --- drive through a high crime area, you know, could be effective. And it shows --- it has the sign of authority. And I think with authority present, we're less likely to have crime. And you know, if it's only --- if we save only one life doing this, it's certainly important.

SHERIFF MULLEN: Well, we certainly agree with you, and we do our best. They're to stay out there in that particular area during the time they're serving the writs.

MR. MACEY: Thank you very much.

CHAIR ROBINSON: Councilman Futules, two questions?

MR. FUTULES: I really don't have any questions, but thank you for coming in, Sheriff. I guess as a rule, anyone that tells me how happy they are, I never question why.

SHERIFF MULLEN: I didn't say I was happy ---

MR. FUTULES: Well ---

SHERIFF MULLEN: --- and I kind of learned to be ---

MR. FUTULES: --- you sounded happy. If I were you, I would have said, I'm happy at this time.

SHERIFF MULLEN: Yeah.

MR. FUTULES: Okay.

SHERIFF MULLEN: Perhaps I'll learn to say things like that to other people. And I also learned, it doesn't really pay to complain, because it doesn't do any good.

MR. FUTULES: There's no sense in complaining. I mean, you know nobody cares. You explained pretty well

the reason why you're happy, and the program is working well. So thank you for coming in.

CHAIR ROBINSON: President Martoni?

PRESIDENT MARTONI: No question. I just want to thank them for doing a great job. Thank you.

CHAIR ROBINSON: Councilwoman Harris, two questions?

MS. HARRIS: No, no questions; but thank you for coming in, and we appreciate all your hard work.

SHERIFF MULLEN: Thank you very much.

CHAIR ROBINSON: Well, you've had an easy time, and we've had an easy time. It's a good way to start. Maybe the next presenter will say the same thing, that he's happy. If everybody's happy, then everybody's happy.

SHERIFF MULLEN: Thank you very much.

CHAIR ROBINSON: But we want to thank you very much. We look forward to working with you in the coming year.

SHERIFF MULLEN: Okay.

CHAIR ROBINSON: Oh, I'm sorry. I'm sorry. Ms. Danko --- Ms. Danko is not happy. Ms. Danko, two questions in the second round?

MS. DANKO: I just have one more question. The overtime comparison; you know, it shows a lot of variation over the years. I was wondering --- maybe I wasn't paying close attention when you talked in the beginning --- why this year, you are --- one, two --- almost \$300,000 --- or more than --- my brain isn't working --- about \$250,000 less than last year in overtime projections.

SHERIFF MULLEN: Yeah. What we did is the hospital details. Last year --- we do double training as Sheriffs. We do Act 2 training, which is Sheriff's --- mandatory Sheriff's training every other year. And every year we do 120 training, because we're the only Sheriff's office in the Commonwealth that has 120 powers, which are municipal police powers. So we do double training in that year last year, which we won't do this --- didn't do this year.

The other issue is that, you know, hospital --- the expenditures for hospital overtime was \$480,000, I think, for the year --- last year, and we significantly cut it this year. With the new health system down there, you know, in the jail, the new ward, they have helped us out doing some tele-med conferences that they've, you know, had the doctors keep people there in the hospital.

I think that's going to continue --- I'm sorry, in the infirmary there. And I think that's going to continue. But we've managed it a little bit better this year. There hasn't been as many people going to the hospital as were in previous years, and that's --- we're --- you know, I think we spent \$1,000,000 --- approximately, \$1,000,000 a year in overtime for hospital details, and it's watching prisoners who are, you know, residents of the county jail. And it's been less this year than it was last year. Last year was the highest expenditure since I was in office since, you know, 2007.

MS. DANKO: Thank you. I'm done, Mr. Chair.

CHAIR ROBINSON: But are you happy? Anybody else have a question? Mr. Finnerty?

MR. FINNERTY: I'd just like to say, I think that's great that finally we're not expending the Sheriff's time sitting in the hospital watching prisoners.

SHERIFF MULLEN: Yeah. I think it --- I hope it's going to be a little bit different with the new health system running the jails. It seems to be.

MR. FINNERTY: Okay. That's great.

CHAIR ROBINSON: Anyone else for our sheriff? Thank you, sir and madam. Thank you very much.

SHERIFF MULLEN: Thank you.

CHIEF DEPUTY RIZZO: Thank you.

CHAIR ROBINSON: As our District Attorney, the Honorable Stephen Zappala, comes forward with whatever staff he's bringing, let me say that, certainly, on behalf of myself, Councilman Burn and others who have had the opportunity to work with the District Attorney, we certainly appreciate his service. We're not required to agree with the District Attorney. In fact, some would say we are required to be just contentious. And so we thank the District Attorney for his service. We thank him for all he's done in smaller communities where folks are overwhelmed with bad things, and he has been able to do a lot.

We thank him for spending forfeiture money wisely. We thank him for the long hours and his patience. Our District Attorney is not always a popular man. He knows that. But should we expect that from someone who prosecutes and puts bad people in jail; doing his job. He's probably not happy today, but he'll be happier probably when he leaves here, than he was last week. But we thank him in advance. As I said, Councilman Burn and

I, in particular, thank him for all he's done to help smaller communities, the mayors and councils in those communities, to protect their citizens. And the District Attorney and I had a conversation one time; it was last year. He showed me a map, a saturation map for various things that were going on. And he said, all the activity --- negative activity that occurs in a community is not generated in that community. It oftentimes is brought to that community by people from elsewhere.

And therefore, communities get a bad reputation because folks believe that the activity has been generated by people in those communities. But that's not always the case, and I appreciate him being straightforward enough to explain it that way and to suggest that the utilization of his resources has to be put to places that have the issues. To my left just coming in is Councilman Matt Drozd, and we appreciate him being here. If the District Attorney has made arrangements to have his material distributed, and there's no un-readiness among my colleagues, sir, the floor is yours. If you'll introduce the people with you, please.

DISTRICT ATTORNEY ZAPPALA: Thank you, Mr. Chairman. For the record, my name is Steve Zappala. I have the privilege and the honor of being District Attorney of Allegheny County presently. I'm joined by my Chief of Staff, Becky Spangler, and my budget director, Melissa Jaworski (phonetic). If I may, before I get into my remarks about my budget and some of the things in the community I'd like you to know about, Sheriff Mullen is generally regarded as one of the top people in law enforcement. And he's done a great deal with that office, but he is very, very much respected by his peers. And to whatever that's worth, I just wanted you to know.

There's a couple things I want to talk about this evening. Obviously, I want to talk about my budget in my office. I recognize that the ladies and gentlemen of Council have a fiduciary responsibility to the public, and I think it's incumbent upon people to come before you to talk about efficiencies. I've given you some information. At Tab Number One, I guess the best comparisons we could make of my office with any other type of --- similar type of offices, the Philadelphia District Attorney's Office, and to some extent, the Public Defender. And you could see, I think, not just from the cover page and this particular tab, but there are a whole

array of responsibilities I have constitutionally or statutorily that an office like the Public Defender does not have. So in some respects, I'm talking apples and oranges, but I'll get to my point. In Philadelphia --- the City of Philadelphia is the County of Philadelphia. I've given you the population analysis. We actually --- we indicted 15,706 cases in 2011. Philadelphia indicted 1,000 less cases. They handle their business with 287 lawyers; I handle my business with 112.

Now their violent crime rate is higher, so we would have to add people to the specialized units we have in the office. But just in terms of a comparison in that regard, I think you can see the efficiencies. Also with the Public Defender, you have 89 public defenders; you have 89 lawyers in that office. They handle 60 percent of all the crime in Allegheny County. Other than the 166 cases --- or 150 cases, typically, that the Attorney General indicts in the course of a year, we handle everything. So we handle 100 percent, basically.

If you used the appropriate ratios, then either we need 40 lawyers, or we should have 40 more lawyers, or the Public Defender should have 26 less. And just again, in terms of efficiencies and trying to put things in perspective for you, I'm very proud of my staff, and I think they do a very good job. We told the executive branch of government what it costs to operate the office, and I think --- this is ballpark --- but it was about \$16.4 million. With Councilman Robinson's legislation, you put us in a position where it's very manageable. And I appreciate --- I appreciate your consideration in that regard.

I'm not exactly sure; my staff has advised me how the county reached the conclusion that it did. It does not reflect the number of persons that are on my staff, nor does it reflect the monies that would be necessary to pay for collective bargaining-type of issues, negotiated issues. The second issue deals with the budget process, generally. The criminal justice system is integrated. And when you're asked to fund particular --- particular budgets, it impacts other aspects of the criminal justice system. For instance, at Tab Number Two, City intelligence provided that information. And what it shows is a movement of crime for the last 45 months across the City of Pittsburgh. Now we have dozens of operations presently being undertaken. One particular operation that

makes a lot of sense to me, that I do not believe has been funded in the budget or any budget, is the movement of that crime in the eastern part of the county. That's just crimes of violence. But if you look at Tab A-3, that's one narcotics team that's detailed to my office, making arrests in municipalities from Swissvale, North to --- just South of Plum, from the Wilkinsburg border through Monroeville. That's one team that's made those arrests. And I think you can see from the narcotic that is in play, it's typically heroin and opiates.

This is a very dangerous situation, especially for the younger people in our community that don't --- do not appreciate or understand how dangerous the drug heroin is. That document was given to the --- excuse me --- the House Judiciary Committee, my chief and the gentleman who runs --- my assistant chief and the gentleman who runs --- testified before the committee. And unfortunately, there are similar issues involving the nature of that narcotic and the movement of that narcotic in southwestern Pennsylvania. And I think two or three other district attorneys' offices were there to testify in that regard.

At Tab Number Four is further evidence of the impact of the movement of this crime in the city, and it's for two reasons, by the way. One is that the streets in the East Hills are too dangerous for people to come in to solicit drugs, buy drugs. The other is the Pittsburgh police have done a nice job in pushing. But the problem is, even though Wilkinsburg indicates in their Uniform Crime Reports that they had no homicides in 2012, there were actually 12, and there were two more homicides this year. We have 80 homicides totally for Allegheny County, 25 of which emanate from the East Hills, East to the Westmoreland County border. And two more --- as I said, two more murders were specifically --- were had in Wilkinsburg.

This is an issue that Wilkinsburg does not have the assets to deal with. But at the same time, where we're seeing this trend, for the last 45 months, the Allegheny County police have effectively gone out of the narcotics business. And I say that because we've indicted 6,700 cases in that 45-month period; only 270 felony indictments were attributable to the county police. Now please, this is not a criticism of any member of the county police department. Someone is making conscious decisions that I don't understand and certainly don't

appear to be in the best interests of the public. And you can see from the last tab, last year after conversation with Bob --- excuse me, Councilman Macey --- I submitted a proposal to resurrect the violent crime task force that we used to impact the Mon Valley. And you may recall that that task force, which Sheriff Mullen's son was a prominent member of --- we made about --- I'm going to say 200 arrests in Braddock and North Braddock alone.

We brought in a team in excess of 100 persons, basically shutting down that area. And it took five years for the bad guys to feel strong enough or confident enough to take somebody's life down there. So five years in an area like Braddock after this impact effort. We can do things like that, and I have not seen anything from the --- submitted by the Executive Branch that would address that. I guess, in part, I have conversations with a lot of members of Council. And I get a chance to understand better the priorities you have for your constituents. And we get a chance to talk about the threat that you face.

And I hear over and over again about economic development and those types of issues. If you have a perception that it's not safe, I don't know who's going to invest money in a particular area. I've been pleased over the years to coordinate a number of task forces, a number of efforts to go out and impact in a real way. And I know Council had asked Sheriff Mullen about the visibility of police officers. Yeah, that does deter crime. But you got to --- you have to get in there through these other types of initiatives, like the violent crime task force. That takes it out of the community, because you're targeting specific people.

And once those people are taken out, other things usually fall in line. But that's where the economic development comes in. So using Market Square as an example, my deal with the merchants in Market Square was, I could go down there and, you know, we were picking drug transactions off of --- from video feeds from the private sector. And we made a lot of arrests, but I promised them --- I said, I'll take these guys out on a stay, and the Pittsburgh police will come in and stay. But you've got to --- you've got to drive up the value of real estate. So we take out a nuisance bar. That goes over to Dunkin' Donuts, one of those high-end places where they put half a million dollars into that store. We take

out another nuisance bar, and I think the historical society comes in and puts a lot of money into that. So I mean, I understand and appreciate the role of the private sector. I understand if you're going to do development, we certainly can lay that groundwork. But again, I don't see it in these particular budgets.

In CSI; there's a gentleman who works through the Chiefs of Police Association who used to work for Allegheny County, named Wayne Reutzel. Wayne's the finest fingerprint person in the State of Pennsylvania. Wayne was going to retire, but we convinced him to come on through contract with the Allegheny County Chiefs of Police. I'm pleased that I fund part of that contract. One of the top priorities of the Chiefs of Police in suburban Allegheny County is burglary and car --- car break-ins. It's a rather traumatic experience for people in suburban Allegheny County to come home and find that their home has been invaded and their safety and their peace of mind has been forever changed.

Through the efforts of Wayne Reutzel, we convict --- excuse me --- we make cases on the science of the fingerprints about 26 --- almost 27 percent of the time. The national average is 15. But that means that 74, 75 percent of the time, you need detectives to follow-up on that. I have not seen that. And more importantly, the Chiefs of Police have told me they have not seen that. So we are making a lot of cases. Unfortunately --- but when you go to prison and you come out, you --- and you learn that you got to put gloves on before you break into somebody's home. I mean, that kind of thwarts the science side of this.

Accident reconstruction; we should have something countywide. I haven't seen that in any of the budget proposals. Corrections; we spend a great deal of money --- with grant money --- to study the use of GPS on --- starting with sex offenders. I would submit to you that there are too many people on probation and parole in this county, and it's an impossible task for a parole agent or a probation agent to keep track of all their --- all their clients, so to speak. GPS works. The study says it works. And I'm not sure how that fits into your capital budget. But the last time I had the chance to talk to County Council about this, you were most receptive to that issue, and I appreciate that, and moved --- you actually moved the study to a point where we came --- we

could come to conclusion. And at this point, I think it makes a lot of sense to explore that and to implement that, actually. So Council has always been good to me. Regardless of what the numbers are, my operation remains the same. We do take on additional responsibilities every year. We have --- over the last couple years, we've taken on some --- in partnership with the Courts --- the Courts took the lead on this --- dockets that fast-track cases.

So you're talking tens of thousands of cases that now can be resolved within a matter of a couple months, as opposed to a year. Justice delayed is justice denied sometimes. So I thank you, as always, for your consideration. I thank you for your phone calls. And when we can do something in your communities, I'm pleased to --- I'm pleased to help.

CHAIR ROBINSON: Thank you, sir. Mr. Burn, do you have two questions on the first round?

MR. BURN: Thank you, Mr. Chairman. And Mr. Zappala, thank you for coming.

DISTRICT ATTORNEY ZAPPALA: Thanks, Jim.

MR. BURN: Thank you for your professional --- your professionalism and for your presentation.

DISTRICT ATTORNEY ZAPPALA: Thank you, sir.

MR. BURN: Sir, I wanted to ask you a couple specific questions on the first round about Item Two in the informational packet that you handed out. So I'm going to hold it up. And obviously, you've seen this. I've seen this before. But I think this is one of the most, if not the most, significant part of the presentation that you made today. Just about everything you said in the sub-sections in which you outlined it, is extremely significant.

DISTRICT ATTORNEY ZAPPALA: Thank you.

MR. BURN: But this is something that, in particular, caught my attention. This obviously is a snapshot of a very troubling moving picture. And I was hoping if you could, perhaps, enlighten us just a little bit, in addition to what you've already shared with us. In the lower left-hand corner is a legend, 2010 homicides --- 2010 homicides, 2010 crimes, aggravated assault, 2010 weapons violations. And what you see here are some indicators that there seems to be --- and again, this is a snapshot --- there seems to be some movement of this picture. Where in your professional opinion do you see these troubling statistics in the City of Pittsburgh

heading, by way of out into the municipalities of Allegheny County?

DISTRICT ATTORNEY ZAPPALA: Thank you.

Actually, like I --- as I said on the initial presentation, we have dozens of operations that are going on in different areas of Allegheny County. The Allegheny Valley, for instance, we have something very different going on there than we have in areas proximate to the city. As to the movement East, you could see, the crime in the city is moving across a longitude, a particular longitude. That has to do with real estate values.

And they're able to move more into the East because, historically, they've been smaller homes, starter homes. There are very good school districts in Penn Hills and Gateway. Those arrests at Tab Number Three, by the way --- I mean, that is as a result of the change in the Chief of Police position in Monroeville. And he asked us to come in, and he wanted to assess the narcotics risk that his constituents were facing. So it started in Monroeville, but it took up the areas that I indicated, Swissvale, North of Plum and that way.

This isn't --- this is over a 45-month period. This crime has moved in the East Hills. It has affected the East Hills. You're not seeing as much violence further East, but you are seeing --- beyond Wilkinsburg. But you are seeing burglaries and that type of thing. That number is way up, and you don't have to take my word for it. Go to your Chief --- a couple of your Chiefs of Police in your community, and they'll tell you that. There's almost movement North through Manchester. There's assets that you can build around there. Unfortunately, in places like Homewood, there's very little that you can build around. There's very little base.

At least, in Braddock we had the hospital for a while, and that kind of was a point of reference for the bad guys. They would go down there and, you know, just meet a block away. We could have got the conversations, and then we pick them up; you know, that type of thing.

MR. BURN: And in the areas where you've taken a proactive approach, whether it be through your task forces or through your outreach with the Chiefs of Police in various municipalities in the City of Pittsburgh, is it your opinion that where you have taken that proactive approach and you've aggressively addressed these issues and these concerns with respect to the crimes that you've

seen, is it your professional opinion, once you've come in and eradicated it or have taken control of the situations, that then you see economic development begin to flourish and then exponentially accelerate because you've been there ahead of time?

DISTRICT ATTORNEY ZAPPALA: Yes, that has happened. But it depends on the risk in that particular area. Sometimes you've got to move expeditiously.

MR. BURN: Yeah.

DISTRICT ATTORNEY ZAPPALA: But that --- you know, government has to move in a coordinated way. And we've always had that relationship with County Council. As I said before, you've been most receptive in areas like GPS.

MR. BURN: Well, I've had that relationship with you here for eight years as a councilman and for many years as a mayor of one of those municipalities. And I can say, Mr. President, thank you for the --- Mr. Chairman, thank you for the opportunity to ask Mr. Zappala two questions on the first round. I can attest that I know that we all talk about economic development. We would not have been able to move dime one of economic development in the Borough of Millvale if Mr. Zappala hadn't been there first, taking a proactive approach to the issues we face by way of crime.

We would not have been able to market that town for community development or economic growth if we weren't able to celebrate our aggressive approach to crime issues. Thank you, Mr. Zappala.

DISTRICT ATTORNEY ZAPPALA: Thanks, Jim.

CHAIR ROBINSON: Ms. Danko, two questions, first round?

MS. DANKO: Well, I'm looking at the same maps. Steve used to live across the street from me.

DISTRICT ATTORNEY ZAPPALA: Yes, my neighbor.

MS. DANKO: So I'll try to be --- I'll try to be professional. Okay. On the maps, the saturation maps ---

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

MS. DANKO: --- do you have maps for the whole county that look like that?

DISTRICT ATTORNEY ZAPPALA: No, that's a software that the city has. We have --- or we're in the process of acquiring that software. But every municipal police department has a different way to track those numbers. I have the UCR reports but, unfortunately, I

don't think they're accurate. Sometimes they're not accurate; let me put it that way.

MS. DANKO: No. I just think these are great visual, and it would be even better if we could see that on a county-wide basis, because I know a lot of people focus on the city and think all the crime happens in the city. And we know it doesn't, but ---

DISTRICT ATTORNEY ZAPPALA: Well, that's another issue. I mean, if Council were so inclined, you could create an intelligence division within the county police or some other mechanism that could do exactly that for everybody in Allegheny County. That makes sense, because that helps me. Half of my cases come from the City of Pittsburgh. That helps me concentrate limited resources in areas given the nature of the threat. And it also helps me to partner up with people in the private sector, who I need to come in as --- as Jim had said before, come in on the back end and change something so it can't go where it was.

MS. DANKO: Okay. My second question has to do with --- and you talked about the crime moving East in the eastern suburbs, which we both know very well.

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

MS. DANKO: But I don't want to leave people with the implication that heroin isn't a countywide problem. I mean, I've talked to judges and, you know, it's in the North Hills, it's in the South Hills.

DISTRICT ATTORNEY ZAPPALA: Right.

MS. DANKO: It's basically everywhere. And you know, maybe we need to be mapping that, mapping heroin --- maybe somebody else is doing that. But it's a huge problem that's getting worse.

DISTRICT ATTORNEY ZAPPALA: It's very, very dangerous. They sell it much more cheaply today, so the kids can buy it, but it's much more potent, in terms of its purity levels. And it is around Allegheny County. It is more prevalent in the Mon Valley, in the East and in certain neighborhoods of the city. You have a Tab Five, by the way, the proposal. I mentioned this before. I had sent to Bob concerning violence. Violence and narcotics go hand in hand. So when you're impacting one, you're impacting the other. But with the North Braddock and the Braddock effort, we had specifically targeted guys who were quick with a gun, so ---.

MS. DANKO: Thank you.

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

CHAIR ROBINSON: Mr. Finnerty, two questions on the first round?

MR. FINNERTY: Thank you, and thanks for coming up, Mr. Zappala, and participating.

DISTRICT ATTORNEY ZAPPALA: Thanks, Mike. Thank you. Scott Township is wonderful right now; no problems.

MR. FINNERTY: --- place to live. Keep it a secret. But the people of Carnegie, you really helped them out when you --- I guess it was two years ago?

DISTRICT ATTORNEY ZAPPALA: It's been a little longer than that.

MR. FINNERTY: Yeah, a little longer ---

DISTRICT ATTORNEY ZAPPALA: You see, when you stay out of the news, you can take something. Stay out of the news.

MR. FINNERTY: Yeah, that's right.

DISTRICT ATTORNEY ZAPPALA: That's good. That's good.

MR. FINNERTY: That really helped when you ---

DISTRICT ATTORNEY ZAPPALA: Thank you.

MR. FINNERTY: --- brought the school bus down and took all the criminals out of that building.

DISTRICT ATTORNEY ZAPPALA: I'm sure it helped us with that.

MR. FINNERTY: I just wanted to ask you, in tab five, about three pages in, you have Homewood budget requests.

DISTRICT ATTORNEY ZAPPALA: That was for 2012. You can't --- you can't get into a situation where you're going after violent offenders and be out-manned or out-gunned.

MR. FINNERTY: Well, I just wanted to know what this means.

DISTRICT ATTORNEY ZAPPALA: That's the compliment that we would use to coordinate --- the thing about my office is that it's designed to bring whatever assets need to be brought to bare on a particular issue. So DANET, for instance --- that's the narcotics task force with the county --- we have 900 guys rostered. So the teams that may be working a particular community, maybe, four, five, six, ten guys, that's at any given point. When you come in and you need more people, you become 50 to 100 real fast. So what this contemplates is a coordination of different departments, like the Sheriff's

Department and the City Police and some of the other players, depending upon which area we're going to impact.

The --- at tab three, for instance, that's one narcotic detective assigned to my office, who I stole from Swissvale, by the way, and three dedicated police officers from different municipal police departments. The problem was in their neighborhoods, the problem is in their brothers' --- in adjoining neighborhoods, and they decided that they were going to spend the money, so to speak, to dedicate a guy to doing that type of work.

MR. FINNERTY: Okay. So what you are telling me is that this \$472,000 ---

DISTRICT ATTORNEY ZAPPALA: Yes. That was last year's --- yeah, that was submitted last year.

MR. FINNERTY: Yeah, \$474,000?

DISTRICT ATTORNEY ZAPPALA: Yeah.

MR. FINNERTY: That is for a group of people?

DISTRICT ATTORNEY ZAPPALA: Yeah. If I may, too, I had this conversation with the Chief Executive. And I asked him about violence and I asked him about priorities in his administration. And I said, you got a lot of guys in the parks, and there's things you can do in the parks that you don't need a uniform there, necessarily. I said rather than adding people to the payroll or adding people to the budget, if this is a priority of yours --- I know it is to several people on this --- on Council --- then let's reallocate the manpower and put them on the streets.

It's their presence on the streets. It's boots on the streets. Narcotics work is all about informants and information you develop. That's why when the federal people come in, you don't see something for a long time. And when you do, most of the guys that they're targeting are already in prison, which is the case on the North Side. They had targeted 28 guys. We had 12 --- 16 of them in prison already for different robberies, weapons, that type of thing, by the time they were ready to go to indictment. So, you know, you're talking about some very good people, and my office does have the ability to pick and choose anybody they want when you're talking about major crime investigators. In fact, I just picked up a gentleman anticipating that we are going to do something about a better job in the eastern part of the county, not just in the narcotics area, but in the violence area.

We picked up the best homicide detective that the city had, J.R. Smith. But I don't --- like I said, I'm not civil service. I can pick the best of the best, and we do.

MR. FINNERTY: Okay. Thank you.

DISTRICT ATTORNEY ZAPPALA: Thank you, Mr. Finnerty.

CHAIR ROBINSON: Mr. Macey?

MR. MACEY: Thank you, Mr. Chairman; and thank you, Steve, and your staff for being here. We really appreciate that and the work that you do.

DISTRICT ATTORNEY ZAPPALA: Thanks, Bob. Do you still have me on speed dial?

MR. MACEY: Yes.

DISTRICT ATTORNEY ZAPPALA: He calls me all the time --- with another problem ---

MR. MACEY: We realize crime moves. When there's arrests, and I read it in the newspaper, in my neck of the woods, these people aren't from around here; McKeesport and Duquesne and Clairton. They're from other parts of the county or even other counties. And today we have a tremendous amount of technology to help solve crimes.

DISTRICT ATTORNEY ZAPPALA: Yes, sir.

MR. MACEY: But I suspect some of our criminals also have that technology.

DISTRICT ATTORNEY ZAPPALA: They do.

MR. MACEY: They have notebooks. They have pagers. They have scanners and, of course, the cell phones and what have you. Could you give me an example of some technology that at this particular point you don't have because of financial problems, that could better serve the ---

DISTRICT ATTORNEY ZAPPALA: I think I understand your question ---

MR. MACEY: Yeah. What I wanted to say is to make sure that we get these people convicted; that we can ensure the conviction --- because as you said, you put boots on the street; you put boots out there. But the rest, you can make arrests, but what about the convictions?

DISTRICT ATTORNEY ZAPPALA: This is a visual society. I think TV impacts a lot of people's perceptions and when they're being selected as a juror. We consistently research and go after different technologies.

Recently --- most recently --- and this would help not just my office, but it would help in several different respects. There's a --- an app that you can get for an iPhone. And what it does is, we put it on burglary scenes. And you can stream live video back to the --- multiple locations. So you want to send it to the crime lab, you have experts from the crime lab. You want to send it to a supervisor, send it to a supervisor.

So for a municipality, say, in the Mon Valley, somebody that's part time, loves being a police officer, but is not trained to the same levels as some of the specialists in the city, that person can go on to a crime scene and even before touching a doorknob, may be contaminating touched DNA. He'll be told, put gloves on. Or he may be told, don't do anything, just go around the house. Anything that you can do visually is a benefit. UCYF is an example. If some of these young men and ladies who are coming out of college who are going to be a counselor, and they're going to go to Homewood; maybe --- you know, they may be white. They're going to go to Homewood and take somebody's kids? I don't know if they --- you know, if their heart's in that type of job.

So if the police are on scene, you could show somebody sitting back at CYF. This is a very terrible situation for these children, and what do you want us to do? Okay. Then you go and you look at food and clothing and sleeping conditions and such. You could do this with plumbing inspections. I mean, it's not just a law enforcement application. Somebody sitting at the plumbing --- I don't even know what it's called --- but somebody who would inspect the connections with storm sewers and sanitary sewers, you can do that by this type of technology. And you could do five different inspections; whereas, you'd have to travel --- you know, maybe your travel schedule would give you the ability to do one.

You guys don't need this. Cameras in police cars have reduced complaints against police officers by 90 percent. I'm not sure what your insurance situation is or your deductible, that type of thing, but in some communities, that's a big number. So if you can reduce that number using objective evidence --- and the city is -- we had this discussion with the city. With the change in administration, every vehicle has been identified for that --- that type of technology. Cameras, by the way --- that's the best deterrent because you know you're going to

be seen. You know you're going to be caught. You're not going to commit the crime, or you're going to think about it long and hard.

So we've put about 200 cameras into Allegheny County over the last couple years, most of which have been through grants. That's a good --- another thing about the private sector. When you go to them and they can make money on something, they'll find the money. They'll find the source to get the project done, and that has been our experience. We're still experimenting with the initial technology I mentioned, putting us on crime scenes. But as a preliminary matter, it's --- it's very effective, and it makes people a lot better.

MR. MACEY: Well, you've had some concerns about your budget, and you would like to have some increased funding. What did you say about the forfeiture money? And that's something that you've always, I guess, hung on your hat on, to a degree. Where are you with forfeiture money?

DISTRICT ATTORNEY ZAPPALA: There's so many --- there's so many things that we need in this community, and it's handled like a revolving account. When the money comes in, we have no shortage of projects that are requested to be funded. We have no shortage of equipment that's needed by different municipalities. We just funded two bullet-proof vests, for instance, for John Weinstein's office, because when those guys go into those bars to close them, people get mad at them; so things like that.

It's a revolving fund and at some point, if we'd like, I can get a better list or more definitive list of things that we've taken care of over the years.

MR. MACEY: Okay. Thank you.

DISTRICT ATTORNEY ZAPPALA: Thanks, Bob.

CHAIR ROBINSON: Mr. Futules?

MR. FUTULES: Okay. Thanks, Steve, Thanks for coming in.

DISTRICT ATTORNEY ZAPPALA: Hey Nick, how are you? Thank you.

MR. FUTULES: You can call me Nick, too by the way. It's okay; a question.

DISTRICT ATTORNEY ZAPPALA: We're among friends, right?

MR. FUTULES: Sure.

DISTRICT ATTORNEY ZAPPALA: Yeah. By the way, I'm paid to be unhappy.

MR. FUTULES: Yeah. I was just about to ask that. It's apparent you are unhappy, and I'm looking at the fact that you're claiming you're about \$400,000 short?

DISTRICT ATTORNEY ZAPPALA: I don't know where the budget people come up with these numbers, to be honest with you.

MR. FUTULES: I'm kind of lost, because you did say something, and I'm looking --- can you --- I think we're at \$15.8 ---

DISTRICT ATTORNEY ZAPPALA: Yes ---

MR. FUTULES: --- \$15.8 million?

DISTRICT ATTORNEY ZAPPALA: --- but with Mr. Robinson's legislation, I think we're at \$16.1 million. It probably cost \$16.4 million, if you fund all the negotiated, and you know, we don't negotiate the financial side. The county does that.

MR. FUTULES: Can you tell me --- I missed it -- - what did you need? What were you asking for?

DISTRICT ATTORNEY ZAPPALA: We asked for about \$16.4 million.

MR. FUTULES: \$16.4.

DISTRICT ATTORNEY ZAPPALA: That's present operating levels.

MR. FUTULES: Okay. Yeah, I think I missed that, because I'm looking here, and I didn't hear you. Sorry. But I do have one question regarding tab three.

DISTRICT ATTORNEY ZAPPALA: Yes, sir.

MR. FUTULES: It looks like when your officers make --- I guess these are arrests.

DISTRICT ATTORNEY ZAPPALA: Those are all arrests, yes, sir.

MR. FUTULES: Those are arrests.

DISTRICT ATTORNEY ZAPPALA: And that's from May --- beginning of May until the beginning of October of this year.

MR. FUTULES: For point of clarity, it looks like most of the drug busts --- nobody's carrying money. Is that --- I mean, there's not many here.

DISTRICT ATTORNEY ZAPPALA: It was --- yeah.

MR. FUTULES: There's a whole lot that was with nothing, and then there's some that have \$130. I see 40 bucks and somebody up to \$20,000 got caught with this cash in his pocket, obviously ---

DISTRICT ATTORNEY ZAPPALA: We just note that because it's part of the inventory.

MR. FUTULES: Okay. So most of the people you catch, according to this, they're --- they don't have money on them?

DISTRICT ATTORNEY ZAPPALA: These guys did not.

MR. FUTULES: They did not?

DISTRICT ATTORNEY ZAPPALA: No, these guys did not.

MR. FUTULES: That's interesting.

DISTRICT ATTORNEY ZAPPALA: But look at the --- look at the narcotics that are in play. I mean, the detail was intended to identify the opiate market in this eastern part of Allegheny County and where these guys were coming from and why. And unfortunately --- maybe, it is fortunate --- 70 percent of --- no --- 60 percent of the persons who were arrested came in from Westmoreland County. And they won't come into the city. They --- and they won't come into Wilksburg. What they'll do is they'll come across the border. They're burglars; typically, junkies, burglars. And they'll come in and they'll barter for drugs.

Consequently, you don't see the money. They'll barter for drugs with electronics, guns, jewelry, that type of thing.

MR. FUTULES: I see. Thanks.

DISTRICT ATTORNEY ZAPPALA: You're welcome.

CHAIR ROBINSON: Dr. Martoni?

PRESIDENT MARTONI: No questions, but a comment. The region I represent, District 8, that every individual Chief of Police in that district has the highest regards for Steve and his office.

DISTRICT ATTORNEY ZAPPALA: Thanks ---

PRESIDENT MARTONI: You have moved them light years ahead of where they were before you took office.

DISTRICT ATTORNEY ZAPPALA: Thank you.

PRESIDENT MARTONI: And we all appreciate that, okay, and appreciate everything you do. I have no questions because I pretty much know what you do from people I talk to, and it's all complimentary, okay, and they think the world of you; but particularly the job you're doing. And from the time you took this particular office from the --- your predecessors to now, you have moved that office light years ahead from where it was.

DISTRICT ATTORNEY ZAPPALA: Thank you.

PRESIDENT MARTONI: I'm not saying other people weren't good, but your office is excellent.

DISTRICT ATTORNEY ZAPPALA: Thank you.

PRESIDENT MARTONI: We appreciate that up where I'm at; okay?

DISTRICT ATTORNEY ZAPPALA: I was most fortunate to succeed Judge Colville. He was --- he gave me a lot to work with. He gave me an ---

PRESIDENT MARTONI: I'm sure, but every --- every Chief of Police --- and I'm going to say this one more time --- in the district I'm at, has the highest regard for your office and the support you give them. Okay?

DISTRICT ATTORNEY ZAPPALA: Thanks, Chuck.

PRESIDENT MARTONI: Thank you.

CHAIR ROBINSON: Let me just piggyback real quick on Dr. Martoni's comments. As you know, the law enforcement community is different than the community at large. So oftentimes the perception of the working District Attorney's Office is different depending on who's looking at it.

DISTRICT ATTORNEY ZAPPALA: Sure.

CHAIR ROBINSON: When they see you, when they interact with you and many of the challenges that you face, those community relations challenges, et cetera, are borne in part by people not really knowing what you are doing. And when you show up, as you said, you show up as an unhappy person. And much of what people need to know, they need to know before you show up; maybe you won't show up. But I thank you again, as well. Ms. Harris?

MS. HARRIS: Thank you.

DISTRICT ATTORNEY ZAPPALA: Good afternoon.

MS. HARRIS: I had a quick question. Tab five, you mentioned the task force that you --- the impact task force. Maybe, one, you can elaborate on that a little bit. And then my follow-up question is, the \$474,000 that you mentioned here ---

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

MS. HARRIS: --- was that included in your request of \$16.4 million?

DISTRICT ATTORNEY ZAPPALA: No, it was not. It was ---

MS. HARRIS: Can you explain where that comes from?

DISTRICT ATTORNEY ZAPPALA: Yeah. Well, it was intended ---- if you were interested in moving in that direction, it was intended to create a dialogue. And

I --- I see positions or money being re-allocated between the different members of the criminal justice system. To the extent that this is a priority, then I'm sure if we sat down and talked this through, we could find a way to move the positions we need into place. You can see --- I'm sorry that I didn't identify this better, but at tab four, the task force was in effect from 2006 to, maybe, June of 2009. During that period of time, they made 642 arrests, and they served 223 warrants.

We took 207 firearms off the street. At that point, marijuana was much more prevalent than heroin. Heroin now is the drug of choice. Like I said, Councilwoman, it was --- it was intended to start a dialogue and to --- for me to understand what the priorities of Council were.

MS. HARRIS: So you're not requesting this right now in the budget?

DISTRICT ATTORNEY ZAPPALA: I'd like to talk to you guys about it, and I think what I tried --- what I'm trying to do today is demonstrate that this is an issue that I have not seen addressed in any budget. And I am concerned that the county police are doing a lot less of the narcotics work. I mean, 600 --- 6,700-some cases, felony indictments, and they're only responsible for 270. What did you fund in the narcotics side of the county police? And again, that's not a criticism of anybody that's there. This is a management decision, or this is some --- you know, some decision about how that agency is going to be utilized.

MS. HARRIS: Thank you.

DISTRICT ATTORNEY ZAPPALA: Thank you very much.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: Hello, sir. How are you doing?

DISTRICT ATTORNEY ZAPPALA: Good, thank you.

MR. DROZD: What you're saying reflects what we see. We let prisons go from 200,000. You say it --- I say it all the time --- 200,000 more population, 400 inmates, now 200,000 less population, 2,800, 85 percent drug and alcohol, 60 percent ---

DISTRICT ATTORNEY ZAPPALA: Yeah. But just staying on that point for a second ---

MR. DROZD: Yeah.

DISTRICT ATTORNEY ZAPPALA: --- you have no control over the Department of Corrections. Penitentiaries are releasing sex offenders, and we

sentence under Pennsylvania law to a minimum and a maximum; right? Our experience historically was that you would not release a sex offender until they --- that person served a maximum sentence. Well, we have people released at the minimum. And one of those guys actually went over --- you know, he was supposed to be living in Wilkinsburg and he's --- he's living in the West End. He winds up raping and killing a girl not long after he got out of prison. That's where the GPS analysis began to take place.

MR. DROZD: My point on this isn't --- allow me to --- because it will go into a question, a very important question, I feel; as a judicial, too, and here's what it is: you know, I --- I mouth off to Council more the youth. So one of our former commissioners says go substitute teach in there and do the inner-city schools. So I've done about 95 percent of them. I just left one, left it right in that area. I see the trends of where it's going, right in that area where the red is, right now.

In one hour time, I heard four security to my classroom; okay? It's, you know, the home life and whatever it may be, this is what's happening. I see it up through that corridor, and I drive it all the time into that --- right here in the North Side. You know where you're going. And I see it in the schools. We aren't getting to the prevention. It's not happening. It's going to get worse, believe me. I've even been in the one that's the alternate school many times.

So we're not getting to the issues. We really are not. It's going to get worse. I'll guarantee you, it's going to get worse. Now my question of you is --- and you know, you're on --- you have two forces in this end. You're reacting for the crime issue, and then you have a component that might be prevented, to some extent ---

DISTRICT ATTORNEY ZAPPALA: We call it impact, yeah.

MR. DROZD: --- because the states cut the funding and the probation officers, you know, and helping these kids in the programs or whatever it may be, it's going to get worse, I'll guarantee it. So where in this budget is your prevention component that, you know, maybe has been cut dramatically? And this --- I know you're doing everything you can. I admire you for what you've

done, believe me I have. And I --- I don't envy you for what you're going to face and what you are facing, you and your forces are facing.

DISTRICT ATTORNEY ZAPPALA: Prevention --- the best prevention comes on the basis of good information. As I --- as was mentioned before, there is no division of intelligence within the Allegheny County Police. I think that should be developed, and that should be funded. We are assigned --- my people are assigned to several different task forces. I call them operations. They're operations to the North --- every part of this county, for different reasons addressing different types of criminals and a different type of conduct. But that's --- that is a tremendous information-gathering mechanism, just to be part of this team or different teams. And that's kind of how we make intelligent decisions about allocating assets.

MR. DROZD: The other point is, that because of the cuts for state levels that are coming into this area, where do you see --- and the other side is --- you know, I always --- I talked about this white collar crime, you know, and the people that we're incarcerating, that maybe we should just throw into the community, let them do ankle bracelet and let them do community service. We'll get some productivity out there.

DISTRICT ATTORNEY ZAPPALA: Uh-huh.

MR. DROZD: And then take those monies and throw them into the preventive side for areas that you may be able to do, the judicial and the courts may be able to do, and our human services, and we're cut there. Do you see where that, in essence --- what's your thoughts on that? What's your thoughts, you know, of monies? I commend you for what you're doing with what you got, believe me, because I know what you're ---

DISTRICT ATTORNEY ZAPPALA: Thank you. Okay. Our court systems have been recognized nationally for being very innovative. And they have several different -- - special dockets. We have dockets that's intended to address recidivism and to customize a response to particular types of crimes. DUI court, drug court, veterans court, with Justice Todd's permission --- actually, at her insistence --- we started a sex assault course, which is perfect for identifying people that should be placed on GPS and other types of protection --- better protections for the public.

There's a --- you and I would have to talk. We could talk hours about recidivism and different efforts that have been taken. White collar crime is not --- it's not an area where you're talking about usually assigning people time in a penitentiary or big time in a penitentiary. Sometimes I disagree with my friends on the bench about, you know, somebody ripping off a charity or somebody ripping off a church or other, you know, whatever denomination. I think those are pretty --- you know, in Braddock, someone stole from --- was in a trusted position, a fiduciary position, and they stole from the people of Braddock.

I thought --- I thought that person should have gone to jail. But I'm not the Judge; that's not my --- that's not my ---

MR. DROZD: Just real quick follow-up; with the judiciary, I commend both of you because the laws are structured such that you got to do this, and then what is the cost to that? You see my point?

DISTRICT ATTORNEY ZAPPALA: Yes, I do.

MR. DROZD: And that's where I think there's that disconnect from the --- these legislators that are making the laws, and you, and the judicial system, where we can get a greater return on our investment ---

DISTRICT ATTORNEY ZAPPALA: Right.

MR. DROZD: --- is what I'm saying --- and make it more effective for preventive ---

DISTRICT ATTORNEY ZAPPALA: Well, depending on who you're talking to. The charge to incarcerate somebody is between \$65.00 and \$80.00 a day. The GPS costs a couple bucks. And if somebody's on work release or something like that, you put the cost on them. But it also creates excluded zones. Say, you know, there's a child molester. So you can't go near the park. You can't go near these schools. I want to know your route. I mean, one guy can manage a lot of people that way. But it's going to take a little bit of an investment upfront, but you have the mechanism. You have the specialized court. And I think we've got --- we've got the best court in Pennsylvania. I really believe that. Our criminal court is really responsive to the public, and they got a good read of what people think about particular types of criminals.

MR. DROZD: Yes, sir; I agree.

DISTRICT ATTORNEY ZAPPALA: Thank you.

CHAIR ROBINSON: Don't tell them they're too good. They'll want more money.

DISTRICT ATTORNEY ZAPPALA: They're my friends.

CHAIR ROBINSON: On my far left is Councilwoman, Heather Heidelbaugh. I thank her for joining us. While she's gathering herself, let me say that as you can tell, a lot of fuzzy conversation up here about what a great job you're doing and how overwhelmed you probably are. Clarification; let the Chair clarify a couple things as I understand it. When our District Attorney is talking about the budgeting process and how he views it, he's probably talking about at least three separate things.

He's talking about what this council has proposed to provide to his office. He's talking about what the Chief Executive has proposed. And he's talking about what he proposed ---

DISTRICT ATTORNEY ZAPPALA: For the community; not just for me, but for the community.

CHAIR ROBINSON: Right. Now those things aren't necessarily the same, and we need to be careful when he's talking to find out what specifically he's referencing, what numbers is he referencing? The District Attorney was kind enough to forward the communication to all of us, giving some idea of his perspective on what this council is considering, which is our proposal for him, which he felt was adequate. He didn't say that's all he wanted. It was better than probably it was proposed by others, and maybe as close to what he thinks he needs, as he has seen so far. So let's make sure we're clear, so if he goes away happy and we think we have made him happy, we know exactly what we're talking about.

I sense that he is not completely happy, but he's happier now with what we have done or what we have proposed. Let's keep that clear. What's in our document that we're considering, that Mr. Szymanski and staff have put together. If you see the District Attorney smiling, that's what he's smiling about. He's not smiling about something else. And he is not in a position to give himself all the resources that he needs, because he probably would want more, and more, and more. And he has said that, that we have been very generous and kind with him over the years. That's a fact. We probably have been more generous with the District Attorney than any other of the elected officials, without being prodded.

DISTRICT ATTORNEY ZAPPALA: If I may, Mr. Robinson. We always talk in terms of what we're going to accomplish and what the return is on it. It's an investment. And I'm pleased that I've always had that conversation with Council, and Council has been most receptive to some of the things that --- like this evening, I'm sure that you'll give this due consideration. These are things --- crime's soft; you can push it around. And we can make a big difference in some of the at-risk communities. But thank you --- thank you for your kind words.

CHAIR ROBINSON: Ms. Heidelbaugh, do you have two questions on our first round for our District Attorney?

MS. HEIDELBAUGH: Thank you, Mr. Chairman. I'd like to commend you on the job you're doing ---

DISTRICT ATTORNEY ZAPPALA: Thank you.

MS. HEIDELBAUGH: --- the job you're doing not only that keeps our citizens safe, but has propelled our city, I think, to being one of the outstanding cities and probably will be a spotlight city for the whole country.

DISTRICT ATTORNEY ZAPPALA: Thank you very much.

MS. HEIDELBAUGH: And we can't do that without a low crime rate. It's directly proportional to our economic vitality.

DISTRICT ATTORNEY ZAPPALA: Thank you.

MS. HEIDELBAUGH: One of the questions, however, that I have for you is --- and I apologize for being late. I had some commitments with the law firm. One of the questions I have for you is my concern about not anything your office is doing or not doing, but what's going on in the community --- certain of our communities. We have a very high murder and crime rate in certain of our communities. I'm very concerned about the lawlessness of --- apparently young males ---

DISTRICT ATTORNEY ZAPPALA: Mostly young males.

MS. HEIDELBAUGH: Can you please outline with the precious resources that you have? What is your office specifically doing, in terms of out-of-the-box thinking to try to address what I'm calling really the killing fields? And there are certain communities where I'm sure that women don't want their children to even walk outside on the streets.

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am. It's been my --- I provided some information to Council this evening. I don't know if you got a copy of that.

MS. HEIDELBAUGH: Okay.

DISTRICT ATTORNEY ZAPPALA: But one of the tabs --- the first tab in that --- actually, the second tab, I'm sorry, identifies the trend in the movement of violent crime across the City of Pittsburgh.

MS. HEIDELBAUGH: Uh-huh.

DISTRICT ATTORNEY ZAPPALA: And it specifically addresses movement to the East. It was actually along a particular longitude. And the reason it doesn't move South of that longitude is because of the value of real estate, primarily.

MS. HEIDELBAUGH: Okay.

DISTRICT ATTORNEY ZAPPALA: Violence --- narcotics and violence go hand in hand. With the assets that I have --- and I have to preface this by telling you guys, that before I took office, my predecessor made a decision to move most of my detective division, what was the detective division, to the county police. So when I want to do something, I got to do it by task force. I got to do it by sitting down and talking about not just my priorities but having other Chiefs of Police come in or whoever is going to be involved in this particular initiative, and we work as a team.

That's how we get the job done most of the time. Sometimes we don't get the job done. And so what I was saying to Council before you got here, was that violence as it moves to the East --- it's overwhelmed Wilkinsburg. They don't have the assets to address it. We had teams in there --- I've referred the matters --- some of the criminals in Wilkinsburg to the Allegheny County Grand Jury. I have that mechanism available to me. Even though we've been involved for the last year and even though we've involved the Grand Jury, we still had two murders in Wilkinsburg, 12 the prior year. We went down to 2, but 2 is obviously too many. The priorities that most of the communities come to me with are decided by the Chiefs of Police of those communities. So there are issues in the Allegheny Valley, for instance, that are a lot different than just the violence that addresses the city in the East Hills. And we sit down and we put a particular action plan together --- we call them operations --- and we go. So that's how we ---

MS. HEIDELBAUGH: Well --- and I accept all of that as true. I guess it would be helpful for me to know --- and I see that you're worried about shortfall. And what I'm very concerned about is what I was just telling you about, these deaths and encroaching in other communities.

DISTRICT ATTORNEY ZAPPALA: Actually, the homicide?

MS. HEIDELBAUGH: Yeah.

DISTRICT ATTORNEY ZAPPALA: Even with the population that we service, we're very --- we're not a transient community. We're going to experience, depending upon the nature of the narcotic --- we're going to experience somewhere between 80 to 120 homicides in the course of a year. And part of the consideration is the population and the neighborhoods in the city, that type of thing. But every year, we're in that range. We're at 80 right now.

MS. HEIDELBAUGH: So you don't see it as an escalating problem?

DISTRICT ATTORNEY ZAPPALA: I see it as a problem.

MS. HEIDELBAUGH: Uh-huh.

DISTRICT ATTORNEY ZAPPALA: But it's always within that range. Sometimes it affects neighborhoods that historically have not been subject to a particular type of violence. And that concerns you, because you see it move from a contained area --- or a more contained area to an area that we had not had to worry about, at least in that regard, previously.

MS. HEIDELBAUGH: Okay. I have one more question. Thank you. If you were --- if you could ask for and receive a sum of money that could allow you to address which I perceive as an escalating problem ---

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

MS. HEIDELBAUGH: --- which I think scares the citizens, do you have a number? Do you have a program? Do you have a --- you know ---

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

MS. HEIDELBAUGH: --- something that really could go out and start --- you know, patrols. I don't know what you --- what it would take?

DISTRICT ATTORNEY ZAPPALA: In the information I gave to Council, at tab number five, it's --- yeah. I sent a letter to Councilman Macey last year in response to

some violence that was taking place in the Mon Valley. When Bob O'Connor was alive, Bob had authorized and directed the city police to work in a task force with us. We generated a lot of big numbers, and that task force moved around the county, depending upon where --- typically, the movement of the drug. We would follow that, and we were very effective that way.

We managed that, and I have some very good people to do that. But I submitted something for Council's consideration, and Councilwoman Harris had asked me about this previously, and I was hoping that it would start a discussion along the lines that I think --- I'm hoping you're going --- you're going to do. And we can talk about re-allocating a limited number of positions and how it would work, and we'd get going on it.

CHAIR ROBINSON: It's my understanding that based upon what is preliminarily being proposed for the District Attorney's Office from Council, is within the range of \$300,000 of what he probably talked to somebody about. So we have moved him closer to the number that he thinks is adequate, but it's a better number than any previous number. The resources that Ms. Heidelbaugh was referencing may or may not be contained in that number that we have presented. But the District Attorney probably could better address what you're talking about if he had the number that he believes is correct. We have probably not proposed that for him, but we're still in the preliminary stages.

DISTRICT ATTORNEY ZAPPALA: Really, I've never really been concerned that there's variation between the budget allocation and what we have actually told the budget people we have to spend to maintain current levels, because I've always made good on them, you know. If you take money away from certain components of the criminal justice system, all you've done is successfully delay a case from coming to disposition. And I'm more concerned -- the money that we had --- we're talking about in the budget is the operation of my office. And I try to demonstrate the efficiencies of us compared to other entities that are either similar or --- you know, to some extent similar. I was talking to Council on the second issue --- is about things that need to be done in the community to attack crime --- to better attack crime.

And some of the decision-making, I'm not --- I just don't understand it, you know. You cannot move away

from the narcotics business when heroin now is --- becomes so prevalent throughout the county, but certainly in areas like the East. In suburban Allegheny County, for instance, the Chiefs of Police routinely tell me that burglary is their number one priority. Okay. So we tried to equip them with the tools where they could address that particular type of crime, and I gave them Mr. Reutzel who --- I told the rest of the council, he's probably the finest fingerprint guy in Pennsylvania. We're fortunate to have him.

And he's making a lot of cases on the sciences. But I mean, with that type of --- somebody has to listen to the Chiefs of Police, too, you know, because there are different issues in the southern part of the county. There are different issues in the northern part of the county; certainly, the East and the Mon Valley, Allegheny Valley. It's different dynamics.

CHAIR ROBINSON: Anybody to my right who has a concern on the second round? Councilman Burn.

MR. BURN: Thank you, Mr. Chairman. I know that our colleague, Heather, was a little bit late, but tab two tied in with the statistics of the increase in the crimes and the violence also tied in to tab three, with the heroin and the narcotics concerns, which then brought our district attorney over to the letter he had written to Councilman Macey in the summer of 2012 about issues enabling a task force to take a more proactive approach to the problems that we're facing, not just in the East but across the county, as well.

So I think that proactivity or that assertiveness or that hands-on approach to crime prevention and law enforcement, was really the rub of a lot of that conversation. So my question, Mr. Zappala, is if a --- and again, it gets back to what the Chairman said, there's three conversations happening here; the conversation of the proposed budget, the conversation that the Council has made through the Chairman's amendment and the conversation that you are having with us about numbers that you would like to see. That all ties into this question: if the Council were to consider further --- a further conversation with you about the resources necessary to implement the task force that is in your presentation, and that we have all been talking about, and which we all know would bring benefit to this county, if

that were to be done in this cycle, how long would it take you to get that task force up and running?

DISTRICT ATTORNEY ZAPPALA: Since I'm not civil service, we have --- fortunately, every time we have a position that becomes available, we have a lot of people that want to come into the office. There's some very talented people that we would build around this, one of which is J.R. Smith. He's a former city homicide. I just hired him to a vacancy. But he was the best of the best out there. I can do that with about five --- I need about five or six more positions. I need a commitment from the county police. I need a commitment from the Sheriff's Department.

And then depending upon what area we're going to target or what areas we're going to target, then I would need participation through communities that are impacted more directly by those types of crimes. So for instance, when McKeesport calls --- and McKeesport has an excellent Chief of Police --- he's more concerned about --- let's get people off the street. He's not concerned about narcotics or violence, necessarily. He wants --- he wants to execute warrants. He wants to --- he wants to let the bad guys know that the good guys own that town. And we've made hundreds of arrests, and not necessarily the most --- you know, we're not going after The Godfather, but these are people who are problematic to him, and he's giving me guidance.

So crime is relative, but I think we could impact a lot of people's lives with a task --- with a violent crime task force being resurrected.

MR. BURN: Thank you, Mr. Chairman. There's no dispute. That's not even up for debate. That's a given. That is a given. I guess my question was, I know it's not an exact science. You injected a lot of different variables in it ---

DISTRICT ATTORNEY ZAPPALA: Yes.

MR. BURN: --- county police, municipal issues, sheriffs --- but the totality of the equation, not --- I'm not asking to pin you down, sir. I'm just trying to say the best estimate of --- if this Council were to green-light the revenues you would need to make that task force a reality. What do you think you would be able to roll it out? Or is it the type of a structure that just --- you build up to the numbers you need? I guess what I'm trying

to say, from today, where will we be looking on the calendar to say you would be rolling this task force out?

DISTRICT ATTORNEY ZAPPALA: I want to say that --- first of all, Council has been very --- again, this year they have been very understanding and very kind, in terms of what you have proposed. And I think there will be some variation, but that would be sufficient for us to work with to maintain our staffing levels and the level of productivity that we have. But I was told that was we're going to need five people to coordinate these different other --- these other different agencies, five people --- you know, I gave you some numbers in the tab. I think they're similar. They would be similar, wouldn't they, today as 2012?

MS. SPANGLER: They're similar numbers, yeah.

DISTRICT ATTORNEY ZAPPALA: And it's about \$475,000. About five months, I'm being told. The Chief of Staff says five months. I listen to her.

MR. BURN: Thank you very much. That was my question.

DISTRICT ATTORNEY ZAPPALA: Thanks, Jim.

MR. BURN: Thank you, sir.

CHAIR ROBINSON: Ms. Danko?

MS. DANKO: I just want to follow up on that, too because it really concerns maybe when I heard Steve say that the county boys are out in the narcotics business. And now if we did this kind of task force, and you're saying you need the cooperation of the county police and that's where the detectives are and involves --- and the Chiefs of Police, I'm wondering do you feel like it's going to --- what do you need to make this work?

DISTRICT ATTORNEY ZAPPALA: Well, I'm going to need the Executive's cooperation, because I need the county police. Bill Mullen has always been helpful. I'm not sure what kind of manpower constraints he would have, but I would need about two or three people from his office. Bob O'Connor supported this when we put this together last. He dedicated five very good people. And I think we put in three or four persons. It's --- there's much use; there's much use.

You know, we can get this up and running. I just need cooperation. I don't have the manpower myself, or I'd just do it, because I think it needs to be done. I need these other agencies to cooperate.

MS. DANKO: Are you going to put somebody on Bill Peduto's transition team?

DISTRICT ATTORNEY ZAPPALA: You know what? You know, it's a rough place over in Homewood, right?

MS. DANKO: Yes.

DISTRICT ATTORNEY ZAPPALA: Okay. I talked to the Mayor-elect, I think, one time in 16 years about crime, and we talked about graffiti, you know. So I don't know. I don't know.

MS. DANKO: Well, I think there will be some support on Council to putting this back in. I'm not sure how many, but ---

DISTRICT ATTORNEY ZAPPALA: Okay.

MS. DANKO: --- it's certainly part of the conversation now.

DISTRICT ATTORNEY ZAPPALA: Over in your district, you know, our stomping grounds, we interrupted the movement of people from the Mon Valley directly down Braddock Avenue into Homewood and those areas, by pushing them off that drag with cameras and sobriety checkpoints at different times. And we did that in coordination with the business community, especially the Regent Square business community. And it's been very effective. And this was in response to --- some knucklehead was running around robbing people at gunpoint.

MS. DANKO: I remember.

DISTRICT ATTORNEY ZAPPALA: Yeah, that was --- yeah. But the local municipalities did a real nice job taking --- you know, identifying those guys and taking them out.

MS. DANKO: Well, there's always jurisdiction always used over there, as you know.

DISTRICT ATTORNEY ZAPPALA: Yeah.

MS. DANKO: Swissvale, Edgewood, Wilkinsburg city.

DISTRICT ATTORNEY ZAPPALA: Yeah, but I'll tell you what, Swissvale --- they especially have some excellent people. I've stolen two from there. Edgewood is very diligent, in terms of burglary investigations.

MS. DANKO: Thank you.

DISTRICT ATTORNEY ZAPPALA: Yes, ma'am.

CHAIR ROBINSON: Mr. Finnerty?

MR. FINNERTY: No questions right now.

CHAIR ROBINSON: Mr. Macey?

MR. MACEY: Thank you, Mr. Chairman. I'm just going to go back to technology.

DISTRICT ATTORNEY ZAPPALA: Uh-huh

MR. MACEY: We have all the technology in the world. We have all the people on the streets. But we have --- and I can only speak my neck of the woods --- but I suspect that there's other communities in Allegheny County that share my concerns. We have part-time police officers. Part time, they're working two different police departments.

DISTRICT ATTORNEY ZAPPALA: Yes.

MR. MACEY: How do we get these people educated? How do we get them to the point that they're familiar with the technology?

DISTRICT ATTORNEY ZAPPALA: Some people --- I mean, this is not for me to say; but I mean, it's a legislative matter. But there's some departments that shouldn't exist. Do you want to educate them, or do you want to --- address policing a different way, I think, is ---

MR. MACEY: Everybody reaches out to the DA's Office. When we talk about the appropriation of staffing and personnel, I could tell you three police departments that should merge. What does the DA --- DA's Office have that would be able to help them do this comfortably without kicking and screaming?

DISTRICT ATTORNEY ZAPPALA: I had proposed a couple years --- several years ago, actually, under Mr. Onorato's administration. Move to where you can control first. You guys control the crime lab. You guys control the county police. They need --- the Mon Valley needs a centralized location to coordinate investigations, to bring better major crime support, to link up with a family course of single moms who get stuck with their --- the children that the father's not taking care of, don't have to travel to the City of Pittsburgh. You could change your transportation schemes very easily to make McKeesport, for instance, a destination point. I think --- I think coordinating services and making them more user friendly, just like shopping centers did, you know, when they were conceptualized --- that makes a lot of sense. It still makes a lot of sense to me.

When you're talking about --- there's two issues; major crime support and patrol. And I think Sheriff Mullen referred to that, and I think maybe Nick

also referred to that. When you see the officer, that's a great deterrent to crime. You can move a lot of people around in a very coordinated way with GPS. And so if the concern of, say, Whitaker Borough is that we're not going to get the patrol we're getting now, we can show them, yes, you can. And you'll get a better patrol by a more well-trained police officer.

In some communities like the South Hills, I mean, they're all full-time and they're very well trained. But you can always be better, and they've embraced that. Most of the police community has embraced that concept. They want to be better, and they want to be trained to a higher level. The technologies that you're talking about --- I mean, in terms of cost, for instance --- the streaming live video technology would cost you \$1,500 a month. That's the iPhone, the app, license, training; \$1,500 a month for two years.

And say five communities in the Upper Allegheny Valley want to do the same thing on property crimes, and they're going to use it on property crimes. They share it. I mean, that's good stuff. It's hard to make mistakes when you got, you know, several other people watching your work and giving you advice.

MR. MACEY: Well, I think we do the best we can down our way with what we've got.

DISTRICT ATTORNEY ZAPPALA: You've got some good people.

MR. MACEY: But can you imagine one borough with one police officer, 24/7? It doesn't make sense.

DISTRICT ATTORNEY ZAPPALA: No, it doesn't. It's not fair to the people who live there.

MR. MACEY: And we have to reach out to the DA's Office. We have to reach out to the county --- to the Sheriff's Department. We need the help.

DISTRICT ATTORNEY ZAPPALA: Yeah. I think you have to hear that from the superintendent, that he's willing to provide that help, and then maybe demonstrate it to him.

MR. MACEY: Thank you.

CHAIR ROBINSON: Mr. Szymanski, our Budget Director, has been very helpful so far in this process and has probably allayed some of the anxiety that our District Attorney had two or three weeks ago. I would presume Mr. Szymanski has been paying attention, and that we've also been paying attention to our District Attorney. You move

money from one place, you hurt another place; simple as that.

DISTRICT ATTORNEY ZAPPALA: Depending on what your priorities are.

CHAIR ROBINSON: Right; depending upon what additional scrubbing Mr. Szymanski can do of any numbers, he may be able to find some additional resources that, if Council would prefer, could be applied to the District Attorney's Office, and our DA would be even happier.

DISTRICT ATTORNEY ZAPPALA: Thank you, sir.

CHAIR ROBINSON: But if you do that, you've got to be careful where you're going to get the money and what kind of support he's going to get. He had been very, I think, bold and straightforward in terms of where he feels he can do a better job. If we want to support him, we'll have to put taxpayers' money where our mouths are. He's already spoken. And we have helped, I think, or suggested some help that has pleased him. If we want to please him any more, let's let Mr. Szymanski work with the District Attorney in his office, to see if there are other areas where we could find him some additional resources, share that with all the members of Council and see if you'd like to make some adjustment.

DISTRICT ATTORNEY ZAPPALA: Thank you, sir.

CHAIR ROBINSON: I think at this point, that might be the best thing to --- what we don't want to do is put the District Attorney out there doing our job, our job to appropriate money.

DISTRICT ATTORNEY ZAPPALA: Thank you, sir.

CHAIR ROBINSON: It's his job to come to the job unhappy, as he said.

DISTRICT ATTORNEY ZAPPALA: With an attitude, yeah.

CHAIR ROBINSON: Yeah, with an attitude. Does anyone here on my right still need to talk to the District Attorney? Mr. Futules?

MR. FUTULES: Thanks, Steve. You mentioned the eastern part of Penn Hills known East Hills?

DISTRICT ATTORNEY ZAPPALA: Yes.

MR. FUTULES: Would this be part of your task force projects?

DISTRICT ATTORNEY ZAPPALA: Oh, yeah. We've been attacking Wilkinsburg for --- for a while now. Penn Hills is a little bit more problematic. It's a much larger area. We attack a lot of the East Hills for the

narcotics and the CSI, the burglary side. We know who we want closer to the city. The city guys would be assigned to the task force because they do have --- they work this all the time. And each one does Wilkinsburg homicides as a city --- so we've given this a great deal of thought. We think it could be effective. But that's just one section, given the movement of crime East through the East Hills.

MR. FUTULES: Right. I just refer to them because that's my District. That's why I did ask.

DISTRICT ATTORNEY ZAPPALA: Yeah. Well, you guys --- you get a lot of guys from the city that come up the valley and interact with the Westmoreland County guys, you know.

MR. FUTULES: Right. Okay. Thanks.

DISTRICT ATTORNEY ZAPPALA: You're welcome.

CHAIR ROBINSON: Dr. Martoni?

PRESIDENT MARTONI: No more question.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: You said the magic words, two of them; investment and deterrent. And what I'm pointing out to this is, I just reviewed a documentary. And I don't know if you saw it, but what's happening in the United States and America that's affecting us here is heroin. It used to be that heroin was not as prevalent. It was prevalent one time, and then it deterred; you know, it dropped. Now it's very cheap, very inexpensive to get, and it's really coming on the streets very heavy.

DISTRICT ATTORNEY ZAPPALA: It dropped, actually, because the purity levels were very low. You had to use a needle.

MR. DROZD: Right. Now it's coming around where it is and it's ---

DISTRICT ATTORNEY ZAPPALA: Very high and very cheap.

MR. DROZD: --- very cheap.

DISTRICT ATTORNEY ZAPPALA: Uh-huh.

MR. DROZD: So this investment is a good investment on that part, because it'll affect not only in our inner cities that we see when we see here, this could be in our very schools where your kids and grandkids go, very much so. Secondly, this investment here is the return here, because as you know, our prisons went from \$20,000,000 in less than 20 years to \$58,000,000, not including the healthcare costs. And that's a deterrent in

itself. You can cut cancer; you know what I'm saying? But in this case, you can't cut it always. But if you suppress it, you deter it, you quelch (sic) it, it's not going to affect as much.

And I say this investment is a good investment. And we got to see where it goes if it's properly directed. That means we really need to look at this very, very hard and very, very serious.

DISTRICT ATTORNEY ZAPPALA: Thank you, Councilman.

MR. DROZD: So --- and I support you on it.

DISTRICT ATTORNEY ZAPPALA: Thank you.

MR. DROZD: I'm glad to see you looking outside the box, and these are good; and as you say, you look upon as investment, and I see the return. And I think the return is really, really --- that may --- because look at our Health and Human Services and what we have to do to treat, not including our prisons, what we're going to have to treat. So we've got to suppress it, at least, cut it out or get it away. And this would help.

DISTRICT ATTORNEY ZAPPALA: Thank you.

MR. DROZD: Thank you, sir. Thank you very much for your innovative ideas.

DISTRICT ATTORNEY ZAPPALA: Thank you for your support.

CHAIR ROBINSON: Councilwoman Harris?

MS. HARRIS: No further questions.

CHAIR ROBINSON: Councilwoman Heidelbaugh?

DISTRICT ATTORNEY ZAPPALA: You started.

MS. HEIDELBAUGH: One comment. I just want to say this out loud. You care about this, but I want to be a person who says this to the citizens. For those women in the community who can't speak for themselves and live in communities --- and live in communities in which they are so frightened by the crime, we have to do better for these people and their children. We have to target this. And I would work with you with this task force. You will come down heavy on these criminals so that they can live in safe neighborhoods ---

DISTRICT ATTORNEY ZAPPALA: Thank you.

MS. HEIDELBAUGH: --- because the more popular, the more affluent, they --- they can help themselves; less affluent, they can't, and they're looking to you. Second comment; I've been looking at the jail situation ever since I was elected to office. And we thought we had a

problem that we couldn't get people who were appropriately to be placed in alternative housing --- alternative rehabilitation. Do you now --- I think working very closely with the County Manager and the Warden, I think that we think we've got that problem fixed.

It's tremendous costs. We estimated it could be as much as \$12,000,000 of costs that were expended by people staying in the jail that should be appropriately --- not inappropriately, because obviously the courts deal with all that --- out to start paying child support, going back to work, getting phased back into the community. Do you feel that that now --- if there was a problem, it has been fixed? Or if it's --- didn't think it was a problem, tell me that. Give me some information.

DISTRICT ATTORNEY ZAPPALA: I think more the issue as your second point, is the difficulty that probation has in keeping track of their clients. And I think the more serious offenders --- and we had studied this through a grant with the PCCD. Those types of --- certain types of criminals should be monitored through GPS. I've discussed that with the ACLU, and the ACLU said, you know, as long as there's a customized approach to what type of sanctions you place on somebody, they got no problem with that. I think that's right. You can't have any problems anyway with that.

But the courts here, we give them a lot of latitude in terms of sentencing and how they want to handle particular issues. So there's a lot of input from the right people in the community. With all the mandatory sentences, to Matt's point about the costs of penitentiaries, that's because of mandatory sentences for relatively --- you know, stuff that we don't look at seriously as some of these guys getting re-elected in the legislature. We --- judges sentence, and I'm okay with that, and if they don't sentence on mandatory because they --- they think it's a better approach for the community, that's good. And they've always done that, so it's never been a problem.

MS. HEIDELBAUGH: But from your view point, do you think that the process is working, so that the people who are supposed to be getting out of the jail are, in fact, getting out appropriately; or do you not?

DISTRICT ATTORNEY ZAPPALA: I haven't really studied it like you studied it.

MS. HEIDELBAUGH: Okay. Fine.

DISTRICT ATTORNEY ZAPPALA: But as to your first point, when we --- we started video-conferencing with PFAs. I think we're the first --- in Pennsylvania to do that. It opened the door to a lot more interaction with the different --- you know, potentially, all the different divisions of the courts. So when you're talking about a single mom in McKeesport, you can video-conference from McKeesport to downtown, and a judge can hear your case, or a hearing officer can decide a child support and that type of thing. I think that would be tremendously --- tremendously helpful to somebody that's in that type of situation; so thank you.

CHAIR ROBINSON: Any other questions or concerns for our District Attorney? It would appear, sir, that you can get a good night's sleep.

DISTRICT ATTORNEY ZAPPALA: I always have --- I always get a good experience here.

CHAIR ROBINSON: Yes, you've been very fortunate.

DISTRICT ATTORNEY ZAPPALA: Yes; and I appreciate that, I do.

CHAIR ROBINSON: Mr. Szymanski, I'm sure will be working with you and other members of Council to see how we might accommodate what obviously are of some concern for our citizens. We should not fool ourselves. If our citizens don't feel safe, they don't feel safe. And if they don't feel safe, then we need to find ways that make them feel safe and have a purpose, not simply arrest these people and putting people in jail or sending them over to the courts, but to ensure that we can continue to advertise our region as a good place to raise families, and a good place to vacation and a good place for people to find a job. And we can only do that if it's safe. We have to make it safe for everybody. We cannot tolerate crime being in certain communities. That's an old way of thinking, I think, antiquated --- that's a good word. It's useless to us to concentrate the crime in certain places. It doesn't do us a lot of good, because the crime moves.

DISTRICT ATTORNEY ZAPPALA: Yes, it does.

CHAIR ROBINSON: And I think Mr. Macey said the criminals have technology, too. They go down to Radio Shack to buy their stuff, and they hook it up, and then

the police are confronted with --- that weapons are more readily available ---

DISTRICT ATTORNEY ZAPPALA: Yes.

CHAIR ROBINSON: --- ammunition more readily available. Criminals have cars. They have nice cars.

DISTRICT ATTORNEY ZAPPALA: Some of them, yeah.

CHAIR ROBINSON: And they can travel around and do what they have to do, and they know that some of our communities are very vulnerable because they're small and staff is inexperienced. They also know that the District Attorney's Office only has so much resource. If we keep all of that in mind and share that with Mr. Szymanski and let him work with the District Attorney's Office, we probably could come up with something that will be helpful to all of us. And I thank you, sir ---

DISTRICT ATTORNEY ZAPPALA: Thank you.

CHAIR ROBINSON: --- for being so forthright and so efficient in managing your supporters here --- and give him at least to say --- now we got to get them on the same page. Anyone else have anything for our District Attorney, or should we let him and his staff go and get a good night's sleep? Thank you, sir. Get a good night's sleep.

DISTRICT ATTORNEY ZAPPALA: Mr. Chairman, thank you.

CHAIR ROBINSON: I thank everybody for their patience. This is probably a period of time when Council, and the administration, and independents have to put in a lot of time. And no matter how we try to shape it, cut it down, maximize the efficient; it still takes a lot of time. But we only do this once a year, so let's do it right. And all of us will get some sleep tonight, but we probably won't get the kind of sleep the District Attorney is going to get, but we'll all get some sleep. Now we're going to have our Treasurer, the Honorable John Weinstein, come before us. For those of you who have been paying attention, our treasurer has been before the Budget and Finance Committee over the last four years or so, as part of an effort to better inform my colleagues.

They have the treasurer come in. They have the controller come in. And we will always offer to the Chief Executive the opportunity to come in, so that we can get a heads-up on their perspective on the fiscal condition of our county and give us some indication as to what they are doing, make sure that our county is safe, fiscally sound.

The treasurer has been very active. As I always remind people, remember, the treasurer collects the money. He accounts for it, but it's only 50 percent of the money, as he has said. The other 50 percent is elsewhere, so we need to be mindful that there are things that the treasurer does not do, monies that he does not touch. But the monies he touches, let's ask him about that.

We can ask him a lot of things. But let's give him an opportunity to make another presentation. He already made one to Budget and Finance, but he has not made a presentation to us relative to what resources he feels he needs to do his job. Let's pay attention to him, as we paid attention to others, as to what they feel they need to do. And we will extend to him all courtesies that we would extend to any independently elected official. We give him broad latitude. Sir, if you will introduce yourself and the lovely young lady who's with you.

TREASURER WEINSTEIN: Thank you, Mr. Chairman. I am John Weinstein, the Chair --- Treasurer of this great county. Seated next to me is Janice Vinci, Deputy Treasurer, who has been with me from day one, because we started this journey together. Actually, we were just talking about this. This is --- although I've been the treasurer since '99, this is actually my 17th or 18th budget hearing, because I did this as the deputy treasurer. So I have many years of experience being in front of the county commissioners and Council. But I appreciate the chance to be here and talk about the 2014 budget.

As you know, the treasurer is an independently elected office, and our primary mission is to receive, invest, disburse and safeguard the monies of the county. The treasurer provides superior customer service to all of the citizens of Allegheny County, while fulfilling the duties and responsibilities mandated by the Commonwealth of Pennsylvania and the Home Rule Charter, with efficiency, productivity and transparency. Basically, ladies and gentlemen, on the second page our 2014 operating budget request is identified by the line items, the personnel, fringe benefits, services, supplies, materials, repairs and maintenance and capital outlay.

The difference between the requested budget allocation and the allocation that has been recommended is about \$1,000,000 in the service line item. This encompasses a myriad of different services that the

Treasurer's Office utilizes. When the office assumed the collection of the alcohol and vehicle tax, there was no direct compensation provided for due diligence or third party collections. Pursuant to the collection of these taxes, these services are absolutely necessary for the enforcement of the collections. The revenues received from these taxes are dependent directly upon our continued reinforced escalating collection activities.

It's imperative that these services be funded for the continuous successful collection of these monies. In fact, there was just an article in the newspaper, just a few days ago, about the drink tax and the overwhelming collection that the county has received since 2008 as a result of the tax, and that is directly related to the collection activities that we perform on a daily basis, that we have been able to collect as much revenue as we have, based on the tax --- the parameters of the tax; the next page, our 2014 special projects, our tax certifications and delinquent municipal claims, which total about \$550,000.

These special project monies are utilized as they become available. Tax certification monies are utilized to support the operation of the Treasurer's office, while delinquent tax and municipal claims money are used to pay various fees and filing costs associated with the delinquent taxes prior to sheriff sales; the next tab, just real briefly, because I know you guys have been here a long time and you have a long way to go. I'm going to just touch on these things real quickly for you. The administration is comprised of a variety of divisions which support the mission of the treasurer. Each division has a specific role that is critical to the function of the office. Following is a brief overview. Our teller and administrative cage area: this division is responsible for the accounting of revenues coming into the county and disbursements going out of the county. The revenues include and are limited to real estate taxes, sheriff sales, fees, fines, et cetera. Disbursements are accounted for; in summary, on the warrant runs that are processed by the Treasurer's Office for all departments within the entire county.

In service to the courts, we approximately paid --- 60,000 jurors and witness fees are paid out through the Treasurer's Office annually. The Treasurer's Office maintains a vault to facilitate these services, as

well as armored car services. Our computer division: as part of our mission, the computer division prepares real estate tax bills and processes corresponding payments, including the mortgage companies. In addition, all ACH files and checks are processed through this department in the Treasurer's Office. The office is also the official paymaster of Allegheny County, processing all payroll and retirement checks, as well, from this location. The division works closely with all internal divisions of the Treasurer's Office, as well as other county departments. The computer division maintains a high level of functionality of software services and warranties.

Staff develops and maintains manuals and provides training for various databases and software within the office. We have a purchasing division that manages the credit cards and the purchase --- purchasing budget in the Treasurer's Office. The Peoplesoft program is attracting mechanism utilized. For equipment and supplies, the office maintains an inventory database jointly with the Controller's Office. Scanning: in conjunction with our Going Green theme, the scanning division scans and catalogues the documents in an effort to reduce paper and maximize storage. Documents are then uploaded to an on-base software system. Our fiscal division: the office is commonly referred to the Bank of --- as the Bank of Allegheny County. In our mission, the Treasurer's Office has the fiduciary responsibility of funding various bank accounts within its jurisdiction and investing residual monies. Cash flows are prepared daily to accommodate the financial needs of the county. Following these residual monies are invested with the guidelines of the county's award-winning investment policy. Allegheny County is one of 24 governments in the entire United States of America and the first county in the state to receive the National Certificate of Excellence Award from the Association of Treasurers of the United States and Canada. In order of priority, our objectives of our investment policy are safety, liquidity and yield. In addition, the Treasurer's Office provides itself in doing business with a variety of financial institutions, especially local banks, which are the keystone to the community.

Electronic bidding platforms are utilized to encourage banks to competitively bid on investments. Our Bid Allegheny program was the first county in the nation

to offer its own online investment platform for Certificates of Deposit. Over \$600,000,000 of operating monies flow through the coffers of the Treasurer's Office for fiduciary management annually; plus capital and grant funds, which collectively are over \$1,000,000,000. Our call center customer service area allows Allegheny County taxpayers and other entities to actively phone our resources to have tax questions answered. Annually, the average volume of calls coming into the call center is 63,000, averaging 5,200 calls a month.

The variety of calls received daily regard general accounting inquiries; however, a significant amount of calls always address taxes, millage, Homestead exclusion, senior citizens programs. Under Tab Two, this chart shows you the percentage of real estate tax collection between 2012 and 2013. As the Chairman mentioned, we did review this information at the Budget and Finance Committee meeting. But now that some members of Council are here, I would like to address it, as well. The percentage of increase from '12 to '13 is approximately seven percent. The final assessment appeal process has not been completed and collections have not been adjusted to reflect those final values.

The real estate tax division is to --- responsible for collecting real estate taxes from Allegheny County property owners. The taxes are collected by direct billing, e-billing and mortgage by tape payments that are sent directly to our office. Currently, the tax division collects from 547,530 parcels, producing approximately \$363,000,000 in tax revenue. This division also produces installment payments, lock-box payments, twice-paid payments, refunds, non-sufficient-fund checks, tax liens and delinquent tax payments. Verification of these payments is available through the tax certifications and receipts. In addition, this division administers the Allegheny County Senior Tax Relief Program, which benefits over 30,000 senior citizens annually each year.

The next page is just an example of our Going Green tax billing process. We were the first county in Pennsylvania to have e-mail, to e-mail people their tax bills. They can pay with an e-check or a credit card, as you know, and we e-mail them the receipt. This is just more information about our senior program. Under tab three, our special tax division is responsible for the collection of the alcohol tax, the hotel occupancy tax,

the vehicle rental tax. Currently, there are 1,896 active hotel tax accounts, of which 1,356 are restaurants, 420 are special occasion club licenses, and 120 are miscellaneous licenses.

The division also manages 173 vehicle rental accounts and 152 hotel/motels in the county. Our treasury agents are assigned to the various locations for purposes of registering the establishments, as well as for customer service and compliance with the law. In addition, the Treasurer's Office employs an escalating collection procedure, beginning with reporting and billing and receiving accounting letter process, web postings, legally --- legal process and padlocking for non-payment of the taxes. Encompassed within these guidelines is a due diligence process to ascertain compliance, as well as for the collection of underreported or unpaid taxes.

Currently, both the alcohol and the hotel tax rates are at seven percent --- and the vehicle tax rate. For less than a 30-day period, it's \$2.00 a day. In the aggregate, this division is projected to collect \$71.2 million in special taxes for the year 2013. Behind that is the actual process, the process that we've established and the law pertaining to the alcohol tax, alcohol --- the vehicle rental tax. The forms that we actually use --- I just thought it would be important to show Council --- members of Council that --- what the actual taxpayers see that participate with this tax.

Under tab four, this is the licensing division. There's actually a decrease in the one-year revenue as a result of the change in the reporting period; our dog license, small games of chance and the bingo license. Annually, the dog license department issues over 100,000 dog licenses to the residents of the county. The Treasurer's Office is an agent for the Commonwealth and collects revenue on behalf of the state. Throughout the year, cashiers are available to process new and renewal applications via the Internet or the mail.

During the hunting season, this division can experience an extremely high number of doe licenses due to the high population of hunters in Allegheny County and our surrounding areas. Cashiers utilize the PALS system, Pennsylvania Automatic Licensing System, to produce and process all doe, fishing and hunting licenses. Likewise, registration for boats may be purchased, as well, as a T-sticker and launch permits. Archery sportsmen permit and

muzzleloaders may also be purchased from the Treasurer's Office. As of yet, 81 launch permits, 94 firearms and 17 boat stickers have been sold.

Our small games of chance in the license department is also available with a special permit that allows non-profits to conduct a raffle with a prize in excess of \$1,000. Bingo licenses are sold to a variety of clubs, religious and senior groups. There's a varying level of bingo licenses available, depending on the function or the specified fundraisers of each group. Thus far, almost 700 small games of chance licenses and about 200 bingo licenses are sold to eligible groups throughout the county. We also addressed this at the Budget and Finance Committee meeting with the significant drops in bingo licenses as a result of the casinos. Many of the licenses that are sold are seasonal in nature; however, the aggregate approximate 102,000 licenses are sold in various categories, producing \$1.1 million in annual revenue.

Behind that are the actual copies of the types of licenses that we have. With all that being said, Mr. Chairman, I would certainly welcome the opportunity to answer any questions or communicate with Council. We have had a tremendous relationship, since I've been the treasurer, with Council; before that, with the county commissioners. We also have shared excellent working relationships with the administration, budget office, Council's budget office, all County departments. The treasurer is a willing and able participant in any type of projects going on in the county and willing to take on more duties and responsibilities, as well, any time that we're asked. So with that being said, sir, I'm here for questions.

CHAIR ROBINSON: Thank you. Let me congratulate you for working over the last couple years, particularly since the drink tax was instituted, to inform us as a council of the seriousness of collection and enforcement. And I think the District Attorney said that he provided you with some resources for this; suggests that everybody is not happy with the drink tax. But you are charged with a responsibility to go get our money, and you don't want to put someone who you've authorized to get the money in harm's way. So I thank you for being diligent. It kind of convinces us that we ought to take it more serious, that we ought to give you more resources. And I'm glad

that resources were available to the District Attorney's Office, to make sure that your agents are safe when they go to get our money.

Also, let me congratulate you on being able to get about 98 percent of our money, which is pretty good. And most of the people who owe us the money are good citizens, and they're going to give it to us. Sometimes they need a little encouragement.

TREASURER WEINSTEIN: Yes, they do.

CHAIR ROBINSON: And I thank you for encouraging them to give us our money. I'm going to start with Dr. Martoni, our President.

PRESIDENT MARTONI: No questions. I've been with John a long time, and he always does a tremendous job, so ---

TREASURER WEINSTEIN: Thank you, Doctor. I appreciate that.

CHAIR ROBINSON: Ms. Heidelbaugh, two questions?

MS. HEIDELBAUGH: Thank you. As a --- what I hope I can say --- personal friend and ---

TREASURER WEINSTEIN: Yes.

MS. HEIDELBAUGH: --- also admirer of yours, I just want to ask some questions in my capacity as --- trying to look at all the numbers. Okay? I was provided, as a member of the Budget, with an interim report from the Controller's Office. And because I have a problem, I actually read all these numbers, okay, and I was looking at each department. In regard to their personnel costs -- - their fringe benefits, okay?

TREASURER WEINSTEIN: Uh-huh.

MS. HEIDELBAUGH: And when I looked at administrative service, for instance, they had a personnel cost of \$4.1 million, yet a fringe benefit of \$1.4 million. The controller had personnel costs of \$4.3 --- personnel costs of \$4.3, fringe benefits of \$1.5 million. And I notice the Treasurer's Office --- not totally out of line; but you know, it had personnel costs of \$3.17, almost \$1,000,000 less but the same fringe benefit costs of \$1.4. Could you tell us, what do you do to look at your fringe benefit costs? Why would they be --- with \$1,000,000 less of wages, why would they be the same as these other offices? Thank you.

TREASURER WEINSTEIN: Janice deals with that directly.

MS. VINCI: It is really a function of the employees that we have, whether their families are covered on health insurance, what type of dependents they have; things of that nature are characteristics of our employees may not always be the same as other offices in that respect.

MS. HEIDELBAUGH: So is --- are the fringe benefits negotiated through the county or through your office?

MS. VINCI: Through the County.

MS. HEIDELBAUGH: Okay. So these numbers just merely reflect what you've just told us, the differences?

MS. VINCI: Yes.

TREASURER WEINSTEIN: Yes.

MS. HEIDELBAUGH: Thank you very much.

MS. VINCI: Yes.

CHAIR ROBINSON: Mr. Burn?

MR. BURN: Thank you, Mr. Chairman. Thanks for the presentation, Mr. Treasurer.

TREASURER WEINSTEIN: Thank you.

MR. BURN: No questions.

CHAIR ROBINSON: Ms. Danko?

MS. DANKO: I have two questions, I think. I know that you have the property tax e-bill. I'm wondering, how many people actually participate in that?

TREASURER WEINSTEIN: So far, we have about 15,000 taxpayers that take advantage ---

MS. DANKO: Out of ---

TREASURER WEINSTEIN: Almost 600,000. So it's a slow-growing process, but it is. And we promote it as much as we possibly can. You know, it saves money, it saves postage, it saves envelopes printing, everything. So it's --- it makes sense. It's just, a lot of people aren't doing it, as many as could.

MS. DANKO: No, I'm not surprised.

TREASURER WEINSTEIN: Yes.

MS. DANKO: The second question --- I love this book, by the way.

TREASURER WEINSTEIN: Thank you. Would you like another?

MS. DANKO: Would I like what?

TREASURER WEINSTEIN: Would you want another one?

MS. DANKO: I mean, it outlines all the different things --- well, many of the different things

that your office does, and why they do it and how much the fees are, the whole bit. Are all these set by the County that are in here? Like hunting and fishing, I'm assuming that's a State ---

TREASURER WEINSTEIN: Correct; or an agent for the State, and they set the fees.

MS. DANKO: Okay. Because some of these fees -- - you know, I know a lot of people who hunt, but they just seem pretty low. But that's a function of the state, is what you're saying?

TREASURER WEINSTEIN: Correct; yes.

MS. DANKO: The only other thing, since you have this Bible --- I was thinking that maybe you could, next year, put in the year that the various fees were last changed.

TREASURER WEINSTEIN: Sure. We'd be happy to do that.

MS. DANKO: It might be worth looking at. Thank you very much.

CHAIR ROBINSON: Mr. Finnerty?

MR. FINNERTY: Thank you. As always, John, you do a great job here.

TREASURER WEINSTEIN: Thank you, Mike.

MR. FINNERTY: And I just have one question in regard to the bingo licensing and small games of chance. Do you think that there's --- that this revenue will continue to go down, since the State is looking at passing a law that says that small games of chance will be allowed in bars and so on?

TREASURER WEINSTEIN: Yes.

MR. FINNERTY: Do you think that will affect us at all?

TREASURER WEINSTEIN: Just as the casinos have affected the bingo operation, you could see less and less bingos are occurring in the county, and we used to have hundreds of bingos.

MR. FINNERTY: Yeah.

TREASURER WEINSTEIN: And now it's just a small amount. So that's one of these things that the legislators don't think about, the charities that rely on those bingos for a revenue. It significantly impacted them. But the small games would be in the same --- same situation.

MR. FINNERTY: Okay. Thank you. That's all I have.

CHAIR ROBINSON: Mr. Macey?

MR. MACEY: Thank you, Mr. Chairman, and thank you for this (indicating).

TREASURER WEINSTEIN: You're welcome.

MR. MACEY: It's a great source of information, and I'll use it wisely. On that note, thank you for everything that you do; and I'm done. Thanks.

TREASURER WEINSTEIN: Thank you.

CHAIR ROBINSON: Following up on Ms. Danko's kind words, if you can help us next year by more clearly identifying the fees, when paid, are available to you, and which fees, perhaps go to the Commonwealth or elsewhere, so we get a better idea. As you know, we have been studying fees, at least for the last four years, as a source of revenue. And each time we study them, we get better at it and we identify some of the shortcomings. And Ms. Danko has identified one, the fees are low. As you know, the fees are low for several reasons.

Some of those reasons are probably no longer valid. We need the money, but we need to know what money might be available or is available to your office and what money you collect, you have to send to somebody else to balance their budget. So if you can help us in being more precise next year, we really would appreciate it.

TREASURER WEINSTEIN: Absolutely. That's a good point, Mr. Chairman. Just as an example, if you buy a dog license in the county, if it's \$6.45, we get \$1.00. The rest of the revenue goes to the State. So we do all the work and we only get \$1.00, but that's --- that's what State law is. So we sell a significant amount of dog licensing, and we make \$1.00 a piece.

CHAIR ROBINSON: Let me just ask an informational question. Can the County impose another fee on dog owners --- yeah, another fee on dog owners --- so instead of getting \$1.00, we can get 2 or 3 more dollars?

TREASURER WEINSTEIN: I don't believe so. We looked into that years ago, and it's set by state statute as an agent for the Commonwealth. We're only allowed to charge so much for that service.

CHAIR ROBINSON: Okay. I'll leave that alone. Mr. Futules?

MR. FUTULES: May we get a permit for people who let dogs poop in other yards. Anyhow, let's be serious. Thank you for coming in. Your presentations are always wonderful ---

TREASURER WEINSTEIN: Thank you, Nick.

MR. FUTULES: -- and very informative. But I want to recap on the e-bill. I'm unfamiliar with it. When somebody has multiple properties, can they do it all at once on one specific form?

TREASURER WEINSTEIN: If they sign up of each specific property, they will get an e-bill for each property. They will get emailed specific individual properties. They can make one payment to cover them all. But if they have five properties, they'll get five e-bills.

MR. FUTULES: So they can make one payment out of all which is good. My question is, there is a fee, isn't there? There's a fee if you use online payment?

TREASURER WEINSTEIN: There's a fee if you use a credit card based on the amount of tax. If you use an e-check, there's no fee.

MR. FUTULES: Okay. That's what I was concerned about. Because I did it one time and I think I was charged like \$35.00.

TREASURER WEINSTEIN: It's a convenience fee. The credit card company charges it, not the County.

MR. FUTULES: So our position is go green and email?

TREASURER WEINSTEIN: E-check.

MR. FUTULES: And you can e-check and it would cost you nothing?

TREASURER WEINSTEIN: Correct.

MR. FUTULES: That's a great opportunity. I remember the conversation a few years back that the postage itself for 600,000 property owners was somewhere in the neighborhood of 40,000 to 50,000 dollars?

TREASURER WEINSTEIN: That is correct.

MR. FUTULES: That's something we can save by promoting that, for sure. Thank you.

CHAIR ROBINSON: Ms. Harris?

MS. HARRIS: Thank you for coming.

TREASURER WEINSTEIN: Absolutely.

MS. HARRIS: I just wanted to ask a follow-up question. You had mentioned that you're requesting an increase in your services --- by \$1,000,000 because of processing the drink tax dollars. And I want to say, the drink tax has been in effect for six years now?

TREASURER WEINSTEIN: 2008.

MS. HARRIS: Okay. So have you been increasing --- experiencing an increase just this year that you're looking to increase in your service --- or how long have you been operating at a deficit, or basically why are you asking now?

TREASURER WEINSTEIN: Well, there are two reasons. The services that we're talking about are attorneys' services that file legal charges against the delinquent bar owners. It's a process. We have decided to civilly go after delinquent bar owners as opposed to criminal. So the attorneys represent the county and take them to court. Judge Colville has been assigned all of these drink tax cases and has done a phenomenal job. But there's a process. And it's expensive to get to that point. And by the time we shut them down, we have incurred a significant amount of expense, attorneys' fees, Sheriff's costs, all of these fees associated with that.

The second point is the auditing. We also audit the bars and restaurants in order to make sure that they're filling out the forms and complying with the law as to what they've actually sold for that particular time period. And the audits are very expensive as well. If you're auditing 2000 bars and restaurants in the County, we can't do them all in one year, obviously. It's cost prohibitive. But those --- the primary functions of the increase, of the request for the increase was for the attorneys' fees and the auditing associated with the bars.

MS. HARRIS: Thank you.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: Okay. Nice job with you and your staff, you know, putting this together. Very nice.

TREASURER WEINSTEIN: Thank you.

MR. DROZD: I always look at two ways, you know, to enhance revenues on one side and reduce operating expenses on the other. Just out of thought, first two areas on the one side; how about flow? Have you been able to capture that flow and reduce it, shrink it, you know, to enhance our revenues, you know, in that essence, and on the other side, have you worked with, like, accounts payable to expand the time of payments, you know, instead of net 30, net 60, I don't know. Has that been done? Where we can get better terms from our vendors? I don't know if you guys are talking with our accounts payable department ---

TREASURER WEINSTEIN: The payable system, Councilman, will be through the Budget Office accounting process. We just process, print the checks when the vouchers are cut for them. Your other question, are you discussing the flow from the bank ---

MR. DROZD: Yes.

TREASURER WEINSTEIN: --- overnight flow?

MR. DROZD: Right. Overnight flow.

TREASURER WEINSTEIN: Well, there's not much coming in the way the bank's paying. That's one of the reasons we instituted the lock box system.

MR. DROZD: So you do have lock box?

TREASURER WEINSTEIN: Yes, we do.

MR. DROZD: That's just --- the other side of it is on the --- what are we getting from the banks, are we in short term enough that we can take advantage of any incremental increases in interest on those funds?

TREASURER WEINSTEIN: Yes.

MR. DROZD: And have we looked at --- there are major, major, like, pension and insurance funds that are very solid, you know, where they guarantee a minimum amount. I don't know if we looked at that. Just out of curiosity, we may be regulated by law where we can go, too.

TREASURER WEINSTEIN: You've answered your own question. But Ms. Vincie lives and breathes investments everyday and she's on top of it 24 hours, 7 days a week, knowing exactly where we can put the money and it's safeguarded the best interest available.

MR. DROZD: What are we getting in return now? What's our ---?

MS. VINCIE: We average about 20 bases points.

MR. DROZD: Is it 20 bases points?

MS. VINCIE: These are collateralized funds so the bases points many times are less than a retail customer might get.

CHAIR ROBINSON: Ms. Heidelbaugh?

MS. HEIDELBAUGH: You've raised an issue now that I'm curious about. So you're hiring private counsel to go after these drink tax offenders?

TREASURER WEINSTEIN: Yes. We have a contract with a private law firm that does that.

MS. HEIDELBAUGH: And can you tell me what the terms of that contract are?

TREASURER WEINSTEIN: In terms of what?

MS. HEIDELBAUGH: How much are you paying them an hour? Is it a contingent fee?

TREASURER WEINSTEIN: It's identified in the --- I'd be happy to get you a copy of the contract. I don't have it on me.

MS. HEIDELBAUGH: You are hiring one law firm?

TREASURER WEINSTEIN: Yes.

MS. HEIDELBAUGH: And was that an RFP?

TREASURER WEINSTEIN: Yes.

MS. HEIDELBAUGH: Do you know what the law firm is?

TREASURER WEINSTEIN: GRB, Goehring Rutter and Boehm.

MS. HEIDELBAUGH: And why did you not go with existing county solicitors?

TREASURER WEINSTEIN: Well, at the time, the law department was overwhelmed with work, could not specifically identify a person just for that function for us. They've done a significant --- they've done a really good job for what we pay them and what they've generated in terms of collection for us.

MS. HEIDELBAUGH: Why do we not go contingent fee?

TREASURER WEINSTEIN: We actually discussed that at the beginning. And I don't think that it was --- at the time it wasn't --- it wasn't a good decision to be made on behalf of the County because there was so much involved at the end of the day if we didn't collect the money, no one would ever get paid. We wouldn't get paid, they wouldn't get paid.

MS. HEIDELBAUGH: I'd like to see the contract. I'd like to know how much we paid them.

TREASURER WEINSTEIN: Sure.

CHAIR ROBINSON: I'm glad you raised that question, Ms. Heidelbaugh, because the Treasurer on several occasions has come to Council through the Budget and Finance Committee, particularly in the early years of the implementation of the drink tax, and asked us to give him additional monies for enforcement, et cetera. We chose not to do that for several reasons. I'm pretty sure that's tied to the way this arrangement was negotiated and maybe also why the County Solicitor's Office was not available to him to do some of this work. Hopefully now, we have a better understanding of what his challenge is and maybe be more receptive to a conversation around how

we pay people, and who should we pay to collect the drink tax.

TREASURER WEINSTEIN: These are only delinquent accounts.

CHAIR ROBINSON: Only delinquent accounts. Anybody on my right who has another concern for the Treasurer? Ms. Danko?

MS. DANKO: I was also going to follow up on the \$1,000,000 that Ms. Harris first brought up and Ms. Heidelbaugh followed up on, too. You put out an RFP for a law firm. How many bids did you get?

TREASURER WEINSTEIN: I think we received three or four back at the time. This was back in 2008.

MS. DANKO: And you put out an RFP for auditing services?

TREASURER WEINSTEIN: Yes.

MS. DANKO: And how many?

TREASURER WEINSTEIN: Half a dozen, maybe. About six, I believe.

MS. DANKO: Would there be a reason that the Controller's Office couldn't do these audits?

TREASURER WEINSTEIN: Well, it was also --- at the time, it was cost prohibitive for the Controller's Office to do them. We met with the Controller at the time and he wanted a whole division, a whole audit division just to do drink tax which was more than ---

MS. DANKO: Are these year to year contracts now or annual renewals, or when do they run out?

TREASURER WEINSTEIN: Ms. Vincie believes they go through the end of '14.

MS. DANKO: That's it. Thank you.

TREASURER WEINSTEIN: If I may, Mr. Chairman, there are two provisions to this that are very important. First of all, the tax doesn't collect itself, you know, you need assistants to do this. We can only do so much internally. If there's a bar that's going to refuse collection, the conscious decision was made not to file charges at the District Attorney's Office but to civilly go after them --- not to put anyone in jail. And if we stop that collection, aggressive collection activity and we stop auditing these bars and restaurants, you will easily notice that collection will go down. The reason people are paying this tax is because they know that we're aggressively collecting it. They're totally, totally

connected at the hip. Aggressive collection will result in collection activity.

CHAIR ROBINSON: On behalf of the Committee, would you be kind enough to provide to the Chair a copy of both those contracts? I believe Ms. Heidelbaugh, Ms. Harris, and Ms. Danko are onto something. And if you could provide both the audited contract and its terms and the contract for the legal services, it would be most helpful and the Chair will make sure that every member gets a copy of that. There is a concern that there might be, probably are, contracts that extend to multiple years and indeed obligate the County for multiple years. And we have to make a decision whether that's a good idea and is that a policy that Council wants to endorse. We don't want to disrupt business relationships that have been cemented legally but we do need to look at that and see who we're doing business with, over what period of time and as Ms. Heidelbaugh suggested, maybe we can get some more favorable terms. I don't know enough about it to say we can or we can't but I think members of the Council need to be able to take a look at that and perhaps work with you and the administration. Because this is just not a concern for your office, this is a concern relative to the administration having contracts that extend over multiple years, professional service and legal contracts that extend over multiple years and what kind of legal obligations does the County have for those contracts beyond any year for which we are budgeting and we budget one year at a time. Ms. Heidelbaugh, do you have something you wanted to say?

MS. HEIDELBAUGH: You addressed it, Mr. Chair.

TREASURER WEINSTEIN: The contracts are signed by year, Mr. Chairman, year by year.

CHAIR ROBINSON: Did everybody hear that?

MS. VINCIE: The contract may be for multiple years; however the work is assigned on an as-needed annual basis. So if work was not assigned, there would not be a payment.

CHAIR ROBINSON: If you could bring us the documents, we'll be happy. Anybody on my right? Mr. Futules?

MR. FUTULES: Referring to the drink tax again, is there a trend that when a particular business is going out of business and they quit paying several taxes?

TREASURER WEINSTEIN: Yes.

MR. FUTULES: Does that carry over to a potential buyer that would be purchasing that business from him? Does it reflect on his liquor license? I know that if the State doesn't get paid, you can't renew your license, but can the county hold a license at ransom based on the drink tax?

TREASURER WEINSTEIN: No. What we do is we file a lien against the license. That's what the law firm --- one of the functions that the firm does is files a lien against the license for us. In fact, we just had that with a bar that was shut down. The previous owner owed \$65,000 and sold the bar. So the new owner was responsible for the debt. And we filed the action against the new owner, although he purchased it from the previous owner. And we ended up getting the money immediately because the guy didn't even know about it but he paid it. And he says, I don't want the lien filed against me on my bar.

MR. FUTULES: So the lien was against the license, not the actual building?

TREASURER WEINSTEIN: Correct.

MR. FUTULES: What would stop him from getting a new license for half the price?

TREASURER WEINSTEIN: Well, licenses are going for ---

MR. FUTULES: About \$35,000.

TREASURER WEINSTEIN: Well, depending on where they are, some of them are up to \$50,000.

MR. FUTULES: Yeah. I just wondered how that worked. Because it's obvious that several people that are delinquent are probably in that situation where they're ---

TREASURER WEINSTEIN: We pretty much have this down --- we have this down to a science since we started this tax. And it's working very, very well.

MR. FUTULES: That's interesting. Thank you.

CHAIR ROBINSON: Anybody to my left that has a question? Anybody to my right? If not, we thank you, sir, and madam. We look forward to seeing you again.

TREASURER WEINSTEIN: Thank you.

CHAIR ROBINSON: Next, we're going to have a presentation by our Controller. And again, I thank everybody for their patience. The one good thing is that when the administration presents, we only have two people to do that, the Budget Director and the County Manager.

As I mentioned earlier, our County Controller, Ms. Wagner, is home ill, won't be with us this evening. It probably pleases some. I had to say that. We send her our best. But her capable deputy, Ms. Amy Griser is here. As some of you know, Ms. Griser used to be our Budget Director and probably knows as much as anybody in this room about budgeting in this county since she had that responsibility for eight years under the previous administration and has other history in this area. She now is in the Controller's Office in a different position with a lot of knowledge about budgeting. And learning more and more, I'm sure, about auditing and reviewing all that kind of good stuff. And I'm glad that as the Deputy Controller she is here to share with us the perspective of the Controller. And I'm sure the Controller would not have sent her unless she felt confident that her presentation would be representative of the Controller as well as the office. And she's brought a capable person with her who often times is given a lot of credit for doing a lot of the work, has a lot of knowledge. He's a man of few words. I'm surprised he's sitting there. This gentleman doesn't talk very much. But I'm going to ask Ms. Griser if she would introduce herself and her associate. And the floor is yours.

MS. GRISER: Thank you, Chairman Robinson. Chelsa extends her regrets. She would certainly be here if she were able. I'm Amy Griser. I'm Deputy County Controller. And to my left is Mr. Bob Lentz. He's the Assistant Deputy Controller over the Accounting Division. And just as the Treasurer before me collects the monies, we spend the monies in the Controller's Office. We don't actually --- we receive requests to spend the monies, but you can be assured that our pre-audit division that is under the direction and the management of Mr. Lentz in the Accounting Division scrutinizes invoices and bills and makes sure that there's sufficient appropriation, that they're legal in nature. If there was to be a contract, there's a contract or a bill of purchase order. Our Payroll Division scrubs payroll, every payroll. We bring matters that we feel need to have some additional attention to the attention of our Human Resource Director or the County Manager. We are watching county taxpayer dollars. Of course, our audit division is doing the post audit functions.

The message that I bring to Councilmembers this evening is pretty clear and straightforward. Just to go over a little bit of history, the County Controller --- and I'm reading from materials we have submitted to Mr. Szymanski as part of our budget submission. But just to give some historical perspective, the County Controller's budget in the year 2012 was \$6.4 million. We were reduced in the year 2013 to an annual budget of \$5.9. We had put in a request for \$6.5 million to restore us back to other row offices in the County to the same levels that we had enjoyed previously. We have --- currently our budget is being proposed at \$6.2 million. We've looked at the numbers and we've scrubbed these numbers and we believe that we can manage out of these numbers. So I am not here tonight on behalf of Chelsa to ask for any additional consideration. We're taken a lot of aggressive steps to --- positions who have been promoted, we have not backfilled. We're down currently to 84 positions. Our request of \$6.5 did ask --- we did include a request of 93 positions.

So the current budget of \$6.2 will fund our current roster of 84 folks and 3 additional positions, two in auditing and 1 payroll clerk. The additional positions that we had requested that were not funded were a couple more auditors. We had an assistant manager of operations --- basically our accounts payable manager previously had an assistant. We promoted the assistant and did not fill that position. We have felt that's a really heavy need in our office for pre-audit that we have two managers in there. And there were three J.D. Edwards' position. Our J.D. Edwards' service center is doing a lot of really, really good things. The current staff is able to handle the current workload but we are being approached more and more frequently by departments, both the City and the County that want additional functionality out of J.D. Edwards, want additional reports. We're trying to build self-sufficient usage of that tool within the departments themselves. So we're currently able to manage with the staff that we have, but that was what was going on when we had asked for those three additional positions.

I thought I would just run through quickly some of the initiatives that we have provided in the inquiry about what efficiencies we've initiated in 2013 and some of the actual cost savings. Just last week, we processed election worker payments. It was a record number of ---

we cleansed that process so much so that we're utilizing bar codes so that the poll worker sheets that come in, we have to pay the poll workers who work the polls, as well as the constables. We issued over 7,000 checks two days after election. So the quantity and the timing of those payments was so --- this election was so far the best than in previous years. We're continuing to work collaboratively with the Treasurer's Office and their new real estate tax billing system which will streamline journal entries that flow into J.D. Edwards so we have more timely accounting for real estate taxes and refunds.

We now utilize debit cards in two areas in the county. I applaud the Department of Human Services who took the initiative on this one. Currently, senior companions are getting paid via debit cards. That was implemented last year and over 2,000 foster care providers are also utilizing debit cards. So their amounts are monthly loaded onto their cards so it prevents all the postage and check printing and mailing costs in utilizing this. And we're looking to rolling debit card usage out further. We're working with the administration. Of course, we talked about --- to Councilmembers about this previously, moving cash accounts onto J.D. Edwards for better accountability. We have --- the city and J.D. Edwards --- the city's pension systems were moved to J.D. Edwards during 2013 which is a savings of \$80,000 annually to city, to the city's budget. We're implementing the payroll system currently. However with the changeover administration, they requested --- the city's made a request to postpone the go live to the second quarter of next year. We previously had a go live date of January but that system is anticipated to go live April of 2014. Once the city has moved on to J. D. Edwards payroll system, no longer having to use a third party processor, that will save the city budget \$750,000 annually.

Let's see. And with the county, the Department of Computer Services has been working with us real collaboratively with software that is being used in many, many county departments onbase. It is the imaging system that the County uses to reduce paperwork and to be able to retrieve documents quickly. Currently, the Department of Human Services again spearheaded that effort but the Department of Administrative Services, the Department of Health and our office, the Controller's Office, are all now using onbase. It builds work flow. It can be

customized to each department's needs of work flow so that it goes to the appropriate people to approve the documents in the department, and then they flow electronically to our office, which is significantly reduced paper.

We're currently working with the administration, the Department of Public Works, the Budget Office and the County Manager's Office to improving our accounting for capital projects. We're enhancing the J.D. Edwards software. We're going to start tracking reimbursements for PennDOT online on J.D. Edwards so we can get the aging of those timely and so we're doing lots of good stuff there to improve the monitoring of capital projects. So the concerns and initiatives, just to wrap up, we're dealing with, we really need more 21st Century technology needs. We'd like to arm our fixed asset inventory clerks with --- there's bar code scanning software that was personally implemented under Mark Patrick Flaherty. We want to take mobile devices in the field and have better tracking of our assets, the County's fixed assets.

We have a real commitment and focus on passing on the institutional knowledge that's in here in Allegheny County, specifically accounting and finance areas. We want to build the next generation of that knowledge base. And so we're doing it through documentation of all of the accounting and finance software in the County in continuing our commitment to quality training. And I just thought I'd point out for some of you Councilmembers, I feel real honored, some of the people that are through this room tonight, and I'm certainly not taking credit for this, but in addition to Bob Lentz and myself being certified public accountants and having gone up through the Controller's Office, through this room tonight the District Attorney's Budget Director, Melissa Javorski went through the Controller's Office. Council Budget Director, Walt Szymanski hurled through the Controller's Office.

Of course, we've got the Deputy Court Administrator back there, I see Michelle Polis, is doing a nice job in the courts. Greg Casciato is the Deputy Budget Director, worked for former Controller Frank Lucchino and Dan Onorato. Jerry Tyskiewicz is the Director of Administrative Services. Steve Pilarski is the Deputy County Manager and our County Manager himself, Willie McKain. So there's quite a legacy of commitment to professionalism in the Office of the County Controller hiring quality people and doing on-the-job quality

training. So Chelsea and I are committed to that. So with that, I'll take any questions at this time.

CHAIR ROBINSON: Mr. Burn?

MR. BURN: Thank you, Mr. Chairman. No questions.

CHAIR ROBINSON: Ms. Danko?

MS. DANKO: I guess my question goes back to last year. We get copies of the audit reports, the hotel/motel tax, you know, they underpaid by \$325.00 or \$56.00, you know, those kinds of things. And I see those audits, and I say, okay, great. What audit are you most proud of, and that goes to my longer question of the value added audits that I feel the controllers should be doing.

MS. GRISER: I guess --- off the top of my head, what's my favorite audit, I don't know that I can come up with one. I think that in documenting --- when we went through the Public Works, how a project is established and the process, it's given us a lot of the nuts and bolts in order for us to move forward and improving how we manage our capital projects. There's millions of dollars that go through that. So a lot of times our audits aren't, I guess I'd say real sexy and they come out with the big splash. It's more of --- a lot of in government what needs to be done is improving efficiency and the processes. It's a time consuming process. So it's knowledge and fact-finding that I would say comes out of our audits. We're right now moving the --- cash accounts online. We've not done anything where there's any impropriety but it's --- our internal auditor is going in with, you know, certified public accounts and qualified accounts that are documenting and determining best practices for handling funds.

We're also looking right now at overtime, and concerns that we have in the Controller's Office with the amount of overtime that's incurred in certain areas. 9-1-1 and our jail; there's overtime concerns there. So I mean, I can come up with --- we have a whole list of audits and initiatives and findings. There's annual things that we do that again, aren't real sexy but saves County taxpayers hundreds of thousands of dollars. I mean, because we do the audit work, because we are peer reviewed. We've been certified peer reviews who are able to do certain types of audits that are accepted by the GAO Office. We save the County taxpayers --- I know that just our single audit and County audits saves roughly \$100,000

a year. So I could --- I would be happy to give you a comprehensive list. We just compiled one recently of all the audits and findings and recommendations. The total findings and recommendations over the two-year periods have been in excess of \$26,000,000 of things that have been reviewed and findings and recommendations and savings.

CHAIR ROBINSON: President Martoni?

PRESIDENT MARTONI: No questions.

CHAIR ROBINSON: Ms. Harris?

MS. HARRIS: Thank you for coming. And I just wanted to commend you for, you know, working within your budget restraint that you've experienced over the past couple of years. And I'd like for you to maybe explain to me a little bit more about what J.D. Edwards is and the technology and how you like to --- you mentioned a lot about training, maybe you can expand upon that.

MS. GRISER: You just asked me one of my favorite questions. I was initially brought to this County to help implement J.D. Edwards. J.D. Edwards, the best part of J.D. Edwards is it's a fully integrated system so both in the County and the City we started with the general ledger which provides all your financial reporting, but one of the best facets of J.D. Edwards is it's fully integrated. So the purchasing, the contracts, accounts payable, someone out here in the field enters a purchase order, it automatically checks against, not just the budget, but what's spent to date, what's available. They can't even enter the requisition unless there's available budget. And it goes through a workflow process and eventually gets paid. There's internal control within the system. You can't pay the same invoice twice.

So the base core of J.D. Edwards are those kinds of things which all counties do, you know, maintain a general ledger, pay your employees and pay your vendors. We have all of that down I think pretty well. Again, we need to do some enhancements of capital projects. The additional functionality, there's opportunity to monitor our inventories better and to actually establish par level so that rather than having people gong out and counting the amount of widgets we have on a shelf, you can track your inventory on J.D. Edwards and as soon as it hits below a certain par level, a purchase order is generated, and that has to go to somebody. Gosh. There's a lot of human resource functionality that we could be utilizing

better on the J.D. Edwards. The approval and the hiring our positions through an automated workflow, better utilization of fixed assets, I think I mentioned this, is an area that we really interested in the Controller's Office. Family medical leave; monitoring family medical leaves in the County and utilizing J.D. Edwards to monitor that.

So those are just a couple of things. The City is very, very interested in wanting to have more of an integrated budget system. And we really encourage that. We've got very fine professionals in the County Budget Department and really would like the County Budget Department and the City Budget Department to look at some of these oracle tools that would assist in getting away from some of the Excel that we currently utilize in the budget process, so we have a more stable system for compiling numbers. Excel is a great tool, but you know, it doesn't have as much integrity as if you're using really sound-stable software built specifically for budgeting. So that's a process that's out there for the City and the County to take on next year. But dashboard reporting; we'd like to have more dashboard reports using J.D. Edwards's software, pulling from some of the other systems so that, you know, if the County Manager wants to pull up and see today what's my receivables at Kane and what's the aging of that. Any number of things that we can be able to build dashboards between J.D. Edwards and other existing financial systems elsewhere in the County.

MS. HARRIS: You mentioned other agencies and departments utilizing J.D. Edwards. Do you believe there's further opportunities for cost savings by expanding J.D. Edwards, further training in the agencies --

MS. GRISER: Our external auditors really think that there should be one single version of truth and that'd be J.D. Edwards. The reality that I've dealt with as a government professional for the numbers of years I have is that while that is ideal, it's not always practical. There is agencies that require certain systems. So I mean, HUD funds have to be tracked through ITIS. I mean, you can't get around from that. There's real specific client case-file data that needs to be maintained at department of human services. It's not easily accountable with J.D. Edwards.

While we are looking at these off-book cash accounts, there could be opportunities for --- you know, Quick Books used here and there for really small dollar accounts. I don't support the use of Quick Books for County funds. I think that likely those types of systems can be scrapped. I think the savings would be nominal in that case. I think the savings of ruling on J.D. Edwards more is we're training people in the departments to run their own reports. There's a tool called Reports Now and we now have a user group that meets monthly. And they're learning from each other how to use this. So hopefully, they're maintaining fewer and fewer spreadsheets and --- things and getting to the single version or truth, which is J.D. Edwards and using that system, producing maybe less paper. I think it's more in savings and efficiencies of how people are doing their job.

CHAIR ROBINSON: Mr. Finnerty?

MR. FINNERTY: There's a number of things I'd like to ask. First of all, considering our cooperation with the City, and you mentioned that they wanted more information, more services from us. Don't we bill them?

MS. GRISER: Absolutely.

MR. FINNERTY: Absolutely?

MS. GRISER: Yes, we do.

MR. FINNERTY: Next question. You must --- much is it? Go ahead.

MS. GRISER: So we have recovery that's in our budget. And it's approximately \$400,000 annually --- \$400,000 which is --- excuse me. If you were to ask City Councilmembers I think now are more educated but certainly, the City Controller, Michael Lamb, they're extremely pleased with the service they receive at the cost that they pay.

MR. FINNERTY: Oh, I know that. So where does this \$400,000 go?

MS. GRISER: So it shows up as a recovery which is it's a credit that goes in the general fund. It goes in the general fund.

MR. FINNERTY: Thank you. And I have one other thing, if I could indulge you. You talked about debit cards, and I think that's a great idea. And I'm glad that the Department of Human Services are using it. But I also have a problem with it. And what I've read about debit cards is if you have a pot of money in the bank, say \$100,000 sitting there waiting for people to use their

debit card. Now, when they go to use their debit card, are they getting charged the fee? That's my question.

MS. GRISER: Do you know the answer to that, Bill?

MR. LENTZ: I think we try to get them to do one for free. They can go in just like they had a check and take all the money out if they want. So that's free. But then after that they deduct --- they have some charges.

MR. FINNERTY: They do. That's what I was afraid of. I was hoping that they wouldn't be charging.

MR. MCKAIN: But it's such a great program because you should see how many people cashing checks at those check cashing places and losing probably more than what they would pay for a fee.

MR. FINNERTY: I agree 100 percent with you there. I'm just wondering if we can find a bank out there, maybe talk to our treasurer who has a relationship with many banks to see if we can get a bank that would not charge them a fee. Because we're putting a bunch of money in that bank. And they're not just letting it sit there. they're using it.

MS. GRISER: The Treasurer was involved in first negotiations and it was no fee. So yeah, it's an opportunity that, especially if the County is considering to roll it out further, put it out for RFP and see what we can get.

MR. FINNERTY: I think it's a great idea because they're not going to these check cashing places and getting, you know, cashing a check for \$100.00 and having to pay 20. But still, I think that possibly we might be able to get some kind of deal with one of the banks out there, hopefully. Thank you very much.

CHAIR ROBINSON: Ms. Heidelbaugh?

MS. HEIDELBAUGH: Thank you. Thanks, Mr. Chairman. The question I have for you, please, is I believe it was in 2012 and it was Mr. McKain who reported to us that he had discovered through, I think his efforts, that there was approximately a \$400,000 savings that he was able to find based on determining that there were individuals who had been employees of Allegheny County who were still receiving benefits that were no longer employees. Do you recollect that?

MS. GRISER: I think you may be referring to the dependents audit that was done?

MS. HEIDELBAUGH: Right. Was that part of your office?

MS. GRISER: No, it was not. It was all handled through the Department of Human Resources. Their office handled that.

MS. HEIDELBAUGH: I thought it was employees of Allegheny County, former employees; am I right, Mr. McKain?

MR. MCKAIN: It was a dependent healthcare audit with --- benefits individuals that the audit conducted to see if they were truly their spouses or truly their children. And to date, it's been about a \$1,000,000 in savings.

MS. HEIDELBAUGH: It's up to a million?

MR. MCKAIN: Yeah. That will be part of our presentation.

MS. HEIDELBAUGH: That is part of your presentation?

MR. MCKAIN: Yes.

MS. HEIDELBAUGH: Is your office involved in that?

MS. GRISER: No, we were not.

MS. HEIDELBAUGH: Does your office become involved with this specific issue? I'm concerned about the high vacancy rate at the Kanes --- one of the Kanes. Is your office involved in that?

MS. GRISER: We have not. I mean, I, myself, have worked with Director Biondo, and there's a lot of really good professionals that focus on that particular issue. I mean, it's just --- our office has not yet engaged with that. I know that in certain areas it's just pure competition. I mean, I know that the Scott facility really struggles with some stiff competition in the South. But no, it's an area that I would --- you know, I would enjoy working with the administration to see if there's anything we can do to increase occupancy. Because I think the Kanes are a great asset.

MS. HEIDELBAUGH: Well, Council may recommend that it close because he's not self-sufficient. But may I ask one more question, Mr. Chairman? Thank you. You made mention of --- that there is a concern about overtime at the jail. I also am very concerned about this issue. There was one of the not full-time guards who came in and spoke to us, and I have been speaking to him. Can you tell us what your concerns are about overtime at the jail?

MS. GRISER: I think that you need to --- I did this. I think the first year I was Budget Director I looked at the best number for full-time equivalents versus part-time, because you do have a situation that when you hire a full-time employee, a correctional officer, they're going to have two weeks' vacation, two weeks' sick, eleven paid holidays, benefits. So right off the bat when you hire a full-time person for a shift, you're already going to have to fill paid leave time that's in there. And the benefits have becoming increasingly costly with an eight percent pension contribution and healthcare, et cetera. So there is need for part-time to fill in to --- again, to cover for when the full-time use their paid benefit leave time, and also, when you have call-offs. And the call-offs are very high at the jail. It's not --- it's a stressful work environment. It's challenging. So there is a ratio. So the focus that we will have is, you know, what is that current ratio and does it make sense based on the shifts that are there?

MS. HEIDELBAUGH: Just to follow up, what is your --- you said you're concerned about it. What is your concern?

MS. GRISER: The increasing amount of overtime.

CHAIR ROBINSON: Mr. Futules?

MR. FUTULES: I'd like to get to the point. You're at 6.2 million. You said that was satisfactory.

MS. GRISER: Correct.

MR. FUTULES: Would 6.5 make your happy?

MS. GRISER: Yes.

MR. FUTULES: But you're satisfied at 6.2?

MS. GRISER: We're satisfied at 6.2.

MR. FUTULES: At that point I will never ask a question if somebody says they're satisfied.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: Why would you even ask it?

MR. FUTULES: Because the Sheriff did.

MR. DROZD: I commend the two CPAs that are sitting before us. This is good. And I wasn't an auditor, but I was a Cost Controller Financial Analyst for Fortune 500, and we had bureaus throughout the world, you know, different --- Paris, Italy, whatever. I like management by exception, you know, innovative ways. And to follow up on Councilwoman Danko's part about the value added, where do you see that interaction with the County Administration with the Manager and helping him to see

that blips in different areas to give him warning signals where they can make the corrections necessary? Is that happening to keep the cost down?

MS. GRISER: Absolutely. Again, every payroll, no, I shouldn't say every payroll, but our County --- our payroll manager, Chris Carager (phonetic), is just quite incredible. And she brings things to the administration's attention all the time. If there's anything that looks odd, and sometimes the payments are appropriate, sometimes not. So that's with payroll which is a significant portion of the County's budget. But there's daily issues that come up with different invoices and questions. Again, we're --- the County Manager had requested and we're following through on the off-book cash accounts which is, you know, a significant amount of money that may have an opportunity to be invested. We might not be able to do that with state restrictions, but and then improvement of managing our capital budget which is at 50,000,000 plus capital budget. So lots and lots --- more initiatives this year, many, many more initiatives this year than this time last year.

MR. DROZD: Second question to bring into that question, I believe in value added very heavily and we have all these agencies out here taking County money, taxpayer money. And we bantered this for so long that we have no SOP, standard operating procedure --- not standards of performance. That's why I see your office. And the way the standards of performance in this --- you know, I was once in a school district and I saw that glitz of the administrative costs versus the mission carrying out the mission. It was top heavy. And my concern is a lot of the agencies under Mark Churner's (phonetic) area which he can't see necessarily, and all these administrative costs are eating up what the performance should be on the other end where we're going to help ourselves in the prisons and all those other areas and agencies. So how can you do that? Does the Controller's Office audit every agency that receives taxpayer county money and how often does that happen? Every agency.

MS. GRISER: Well, the first question, no.

MR. DROZD: You do not?

MS. GRISER: We simply do not have the resources.

MR. DROZD: Who does?

MS. GRISER: But --- so there federal requirements that if you receive a certain --- over a

certain threshold of federal funding, I think it's \$500,000, you're required to have a single audit which is a type of audit that has very specific procedures. It's not just your financial statements are reasonably stated but it looks at internal control. It looks at compliance. So those are required to be done by external auditors. The County Controller's Office is very --- participates in selection of the external auditors. And we work collaboratively with the Department of Human Services. Mark Turner has an internal audit division himself within that department and we work collaboratively with those auditors and perform if there's any concerns if there's a provider that may not be providing services that are adequate or if there's any concern we go in along with the internal auditors and department of human services.

MR. DROZD: A quick wrap-up. My concern, are the auditors paid by the agency?

MR. LENTZ: Federal funds pay for it.

MR. DROZD: But it comes from the agency, directed by the agency. Who picks the auditor?

MR. LENTZ: I don't know if it's Turner's people or not. It's in their contract ---

MS. GRISER: I would doubt that the agency ---

MR. DROZD: Through the chair, I'd like to see that.

MR. LENTZ: --- contractor bills us.

MS. GRISER: Sure. Yeah.

MR. DROZD: Because a lot of our concerns, we've said many a time, you don't have --- we don't know given the allocating monies and we don't know what they're doing up there. Are we getting the return on our investment? Are those funds being ate up in administrative costs? The operating costs are not getting to those that they were supposed to be providing for. That's our concern --- my concern. I think it's all our concerns. Thank you.

MS. GRISER: You're welcome.

CHAIR ROBINSON: Any other questions for the Controller's Office? Ms. Danko?

MS. DANKO: This is the theme of the evening. There's fiscal audits and there's performance audits. And I feel that everything you're telling us is more on the fiscal end following the payroll and --- are you doing performance audits of individual departments and to what degree?

MS. GRISER: Not as much as I would like and not

as much as Chelsa would like. There's been evolution of the authority of a Controller to do performance audits. It's gone through a whole evolution. There's been challenges. When you do a performance audit, you're required to find a best practice and benchmarks. You can't just --- because a lot of the --- we make suggestions but unless --- in order to issue an audit in accordance with Yellow Book which is the governmental accounting office standards, you need to find the apple and apple comparison with good benchmarks. So we're encouraging our internal audit division to look at that more. We have been awfully, awfully busy this year with just, you know, some of the other things I've mentioned to you, the off-book cash accounts and the overtime. Those are simply reviews. They're not performance --- somewhat performance related, but not a strict performance under Yellow Book standards.

MS. DANKO: Thank you.

CHAIR ROBINSON: Any other questions for the Controller's Office at this point? It's my understanding that the chairs will be working with you to get some information that Mr. Drozd's feels that will be useful to all of us. I agree with him. The sooner we can get that, the sooner we can begin to try to digest it. We thank both of you and again, our best to the Controller. We look forward to seeing her real soon.

MS. GRISER: Thank you very much.

CHAIR ROBINSON: Next, we're going to hear from our President Judge of our Court of Common Pleas, the Honorable Donna Jo McDaniel. And whatever parties she wants to bring with her. I always get nervous when I see a lot of judges in a room.

JUDGE MCDANIEL: That's our intention.

CHAIR ROBINSON: You've succeeded with me --- as I always say to my colleagues, stay out of jail and stay out of the Courtroom. But we thank the Judge for her past cooperation and assistance in her thoroughness working with us to see if there's a way that we can not just make her operation more efficient but that we can get the job done that she's mandated to do and that we want her to do. And that we recognize the costs of doing the job over in the judicial branch are rising for several reasons. There just seems to be no way to stop it, at least no way we found so far to stop it. So there's always increased costs. There's always increased requests and

justification. We'll do the best that we can. Again, remember, the Judge --- associates are going to probably reference what they requested or negotiated with somebody else, what they want and what Mr. Szymanski and staff are proposing, three separate things. And where, Your Honor, you can separate that out for us would be most helpful so that we better understand, not only what you're saying to us, but at the end of this, what you actually want. If there's anything out there that's been proposed that comes close to what you want or is what you want what you want and it's not before us. Having said that, if you'd be kind enough to introduce the Honorable Judges who are with you and any staff. And the floor is yours.

JUDGE MCDANIEL: Thank you, Mr. Chairman. I thank you for inviting us to be here. First I would introduce to my left our Administrative Judge of the Orphans Division, Judge Larry O'Toole; our Court Administrator, Mrs. Claire Capristo; our Administrative Judge of the Criminal Division, Judge Jeffrey Manning; and our budget people, Michelle Polis (phonetic) and Joe Estork (phonetic).

Actually, I'm going to be rather brief and I'm sure that will bring a smile to almost everyone's face. We've gone through a long process. We have tried to cut corners. We have done everything that we can to maintain the budget we were given last year. As it is now, we are on budget and we're proud of that fact. We are looking to --- we've gone through a number of meetings and I will say that we didn't get quite what we wanted, but what we were given, we feel that we can live with in our means and stay there, although it's somewhat short of our request.

We are looking at continuing cost cutting efforts in the future in different areas. I don't know how productive it would be for me to go into what we've done in the last year or so, but we would entertain any questions that you may have. Actually, we're pretty happy. Not happy happy, but pretty happy.

CHAIR ROBINSON: Good evening so far.

JUDGE MCDANIEL: I don't want to say really happy, you might --- you know.

CHAIR ROBINSON: Thank you. I appreciate your perspective. Again, let me congratulate Mr. Szymanski and his staff. They're getting better at presenting to his Council numbers that we can own and numbers that we can work with, notwithstanding that there's different sources

of numbers. They're getting better at looking at other numbers, and then looking at the numbers that we need to present to my colleagues.

And I'm going to presume your statement relates to the hard work of Mr. Szymanski and members of his staff in coming up with a number that you have seen that makes you somewhat happy.

JUDGE MCDANIEL: I'm sorry. Yeah. What we're looking at is we're looking at \$67,805. And you know, as I said, we did ask for a little bit more but we decided to continue things like our 90-day mandatory hiring freeze. We cut costs when we can. We found a few things that we are going to reevaluate this year hoping to have even --- be more efficient next year.

CHAIR ROBINSON: The Chair doesn't have any concerns at this moment. Ms. Heidelbaugh? I'm sorry. Judge Manning?

JUDGE MANNING: I was intending to speak with regard to the Criminal Division and to some extent echo what the District Attorney said. The fundamental purpose of government in a free society is to protect its citizens and their lives and their property. I didn't say that, Eric Sevareid said that in 1968 on CBS Evening News with Walter Cronkite. But --- I approach this is this: this is another pretty good quote from a theologian who said, "Efficiency is doing things right, effectiveness is doing the right things." I've prepared this little pamphlet. I'm not going to go through every page, but I want to start with the first page which shows you the absolute decrease from 14,000-plus cases to a backlog of 79,000. We have done that efficiently and effectively by creating what we call the Phoenix Courts.

JUDGE MCDANIEL: 7,000.

JUDGE MANNING: 7,000. What did I say?

JUDGE MCDANIEL: 79,000.

JUDGE MANNING: I'm reading it wrong. 7,900. Okay. Page two talks about adult probation. I think it's important to note this. We have 128 probation officers and we have 25,000 people who are being supervised. Now what that would be like is lining our probation officers up at PNC Park down the baselines, home to first, first to second, second to third, third back to home, and telling them look in the stands, that's who you're responsible for. We've done this by something that's very efficient which is determining efficient and effective, determining

risk assessments. So that we put the effort where it is most needed, the high risk offenders get the highest supervision, the low risk don't.

Other than that, I'll just point to our specialty courts. I think the warden would tell you the recidivism rate in the jail is somewhere above 60 percent, meaning that six out of every ten people who get out of jail go commit another crime. Our DUI court, our recidivism rate is less than two percent. Our drug court, our recidivism rate is somewhere around seven percent. We have done this by spending a lot of time doing things that aren't being done elsewhere, and that's judicial time, probation officer time and supervising people in trying to return a better person to society than the one that started out in the criminal justice system.

And my last little comment would be to take a look at page 12. Page 12 will --- 10 and 11 show you what would happen if we close down our specialty courts. Roy Scheider said if you're going to need a bigger vote, you'll have to build a bigger jail. But just to September 30th this year, our electronic monitoring program, which deals mostly with DUI offenders where we have mandatory state sentences, 30 days, 90 days, 6 months, they're mandatory state sentences. It's an unfunded mandate by the state where these people are supposed to be in jail. We put them on electronic monitoring. They save their job. They make their childcare and their payments that they have to through the Family Division. And as you can see, 160,550 days saved in the county jail. At the warden's rate of \$66.00 a day, we've saved the County, the court system has saved the County more than \$10,000,000 so far this year. That's why when we come to you with a figure, we're not asking for a figure because we just want it. We're asking a figure I suggest to you with all due respect that we deserve in order to continue doing what we're doing.

CHAIR ROBINSON: Let me just say that I'm glad that Judge O'Toole is here.

JUDGE MCDANIEL: Me, too.

JUDGE O'TOOLE: I'm thrilled to be here.

CHAIR ROBINSON: I know that there are many important things that all of you judges have to do. Judge O'Toole has some very serious work that I won't delve into right now because I don't want to interfere with the business of the Court. But I thank him for being here.

And I thank him for taking some very serious matters under his jurisdiction under circumstances that are less than ideal. I thank you, sir. And I trust that my trust in you, which I have expressed publicly, will bear out. And that you will do what is best for those of us who love this County. Thank you, sir, very much. Mr. Burn?

MR. BURN: Thank you, Mr. Chairman. This is a little unorthodox for me to be on the bench asking the judges questions. Judge O'Toole, how are things with Judge DeAngelis? Is everything okay over there? Is he under control?

JUDGE O'TOOLE: He seems to be doing swimmingly.

MR. BURN: I'll stop there. Thank you.

JUDGE O'TOOLE: You're welcome.

MR. BURN: Please send him my best. I came up with Judge DeAngelis and his brother, John's firm, Bob Stewart many years ago. It is always good to see my former colleagues doing well. Please send him my best.

JUDGE O'TOOLE: I will.

MR. BURN: Thank you.

CHAIR ROBINSON: Ms. Danko?

MS. DANKO: Just one suggestion and then one comment. It helps if these end up being, like, year-over-year. So, you know, last year's numbers, this year's numbers. The other thing, and because we're all elected officials, we hear from the public. And every now and then a particular radio talk show, the host vents about judges, and what time they show up, and how long they work, and I'm wondering if any of you would like to comment or rebut some of that discussion?

JUDGE MCDANIEL: I would just say three of us at least are here at 7:30 tonight.

JUDGE MANNING: I'm the chairman of the committee of --- Marty Griffin. So ---

JUDGE O'TOOLE: The gentleman is remarkably ill informed.

MS. DANKO: If you could give a more substantive answer, that would be good.

JUDGE MCDANIEL: We don't have a more substantive answer.

CHAIR ROBINSON: I was going to say, the Judges don't have a more substantive question. If I was the party in question, I wouldn't want to go to jail or be in the courtroom in this county. Mr. Finnerty?

MR. FINNERTY: Get back on subject here. You talked about electronic monitoring. I think it's a great thing. And I'm looking at page seven of your --- and by the way, this is very well put together. I thank you for that. If we go across this, the number of defendants sentenced to jail was 463, the total number of sentences completed the Alternative to Jail Program was 468?

JUDGE MCDANIEL: Well, that's not --- these are people that have been sentenced on a first time DUI. And what we did was we established a DUI hotel. And the offender has to go in on Thursday. They're either 48 or 72 hour sentences. They go into a hotel, I would add without a bar, and they stay until Sunday night. And while they are there, they get room and board. They get all of their training, all of their classes, their evaluations. They are free to meet with people from AA or NA. And at the end of --- Sunday, then they're actually done with all of the programs. And it's at no cost to the County. It's self-paid. It's about the same amount that they would pay if they were on probation for a year or two and had to receive all of these services.

JUDGE MANNING: The stats are from January 1 to October 1. The first stat is the number of persons that were sentenced from January 1. The second one is those who completed who were sentenced --- many of whom would have been sentenced the year before in 2012. That's why there's a disparity somewhere.

JUDGE MCDANIEL: And we have a whole another population that's on electronic monitoring.

MR. FINNERTY: Yeah, I understand that. These are not electronic monitoring? What you're pointing out is that they saved on electronic monitoring because they ---

JUDGE MANNING: Well, I used electronic monitoring because it's their largest number. But obviously, all of these are incredible savings, because these are all county jail sentences. Even though it's 48 hours, 72 hours, it's still that time in the county jail.

MR. FINNERTY: Right. If they don't show up, they're going to jail probably. But still, going to electronic monitoring, the next page you talk about --- how many people do you think in a year's time are under electronic monitoring?

JUDGE MANNING: I do have that number but I don't have it --- well, it's --- the average, as you see,

is 746 a month. So we have continuously people coming on and going off, 30 days, 90 days, they're coming off and going on. This is the average and it fluctuates maybe 50 a month.

MR. FINNERTY: They're being monitored by?

JUDGE MANNING: Probation.

MR. FINNERTY: Probation officers.

JUDGE MANNING: Right. These are all monitored by probation officers.

MR. FINNERTY: I think it's a great program. I just wonder if you have enough electronic monitors to go around.

JUDGE MANNING: Well, we'd like to have more. We, at one point, intended to have more but it requires not only just the equipment, but somebody has to be watching. And that requires more probation officers. So what we did was we created the Alternative to Jail Program and cut back and will not admit someone to house arrest, electronic monitoring, unless their sentence is a minimum of 30 days.

JUDGE MCDANIEL: And the people that are on electronic monitoring are generally people that should not be on just clear probation, nor should they be in the Allegheny County Jail. And so the person that is supervising an electronic monitoring person, it's a high impact kind of supervision, you know. You just don't put them on electronic monitoring and walk away and not see them for a month. It's because that person is kind of in the middle and we're trying to get them to go, you know, on the correct path. So that's a pretty high impact supervision for our probation officers.

MR. FINNERTY: I agree with you 128 --- 200-some per person?

JUDGE MCDANIEL: Right.

MR. FINNERTY: That's a lot of people. I don't know if I could handle a classroom with that many. But I also want to point out the fact that because of this, I mean, our maximum capacity in our jail is 3,156 inmates. And we have an inmate population off 2,731. And I believe when I started here in '05 or something like that, I think we were overflowing. And thank goodness for this program. I think it lets people get out into society and hopefully get a job, do something, besides just sitting in a cell.

JUDGE MCDANIEL: Our court is very focused on keeping the right people in jail and the wrong people out

of jail. And we've done a lot of things with --- from setting the original bond to having bond modification hearings, to not setting a \$100 bond where a poor person can't make that bond, to setting a nonmonetary bond with some kind of a restriction. So all along from the beginning to the end of this system, we're very focused on what's going on in the jail and we understand their problems. And we're working to help them the best that we can. And everybody is pretty dedicated to that.

MR. FINNERTY: I thank the Court for doing a great job of innovating things. Thank you.

CHAIR ROBINSON: Let me say a word for free speech. I'm in favor of free speech. And I'm glad that there are people in this County who are concerned enough about our government that they speak out. And I appreciate our judges for maintaining decorum, professionalism. But free speech extends to everybody. Nobody is above the law. Nobody. And I thank our judges for restraining themselves because I'm sure it's tough at times. You're not councilmen, we have a little more latitude, and we use it freely, and I thank you for restraining yourself. You have a hard job tomorrow, and I thank you for being here and not somewhere else. Mr. Futules?

MR. FUTULES: Thank you for coming in. I appreciate your presentation. And I'm thanking you for being able to keep your budget at bay for being creative and learning how to better the system, per se. And it just doesn't go to you, but all of the departments, that if enough of you come to us and say it's not enough, there's alternatives and us up here are the ones that have to make that decision ultimately. And I thank you for being able to keep your budget at bay and suffice it enough to keep you through this year. And I appreciate that.

JUDGE MCDANIEL: Thank you, Councilman.

CHAIR ROBINSON: Ms. Heidelbaugh?

MS. HEIDELBAUGH: Thank you, Mr. Chairman. I have some questions for the Court. One of the things that I've been most concerned about since I was elected is the jail. And I think what we've dealt with the last year was an issue of a backlog, trying to get some of the folks in the jail out into alternative sentencing. Do you feel that the problem, if there was one, has been corrected?

Do you feel that there's any kind of backlog or are you having any issues with getting people appropriately out?

JUDGE MCDANIEL: Well, we've recently developed a protocol, a written protocol that was revised. And we are in the process now of moving more people out into alternative housing at a regular rate and with defined requirements. We too are very concerned about the Allegheny County Jail. In fact, every week --- every other week, I'm sorry, Judge Manning, Mrs. Capristo and myself, Willie McKain, Erin Dalton from DHS --- and who else? And the warden, of course, is there. And we sit down and we try to, not only define the problems that are keeping the jail population up, but to solve them. And we've done a lot of things to solve these problems. I mean, we meet on a regular basis. It's almost too much. But you know, we --- it is a lot.

JUDGE MANNING: We understand that alternative sentencing is important because many of these people maintain their employment that way, make their child support payments that way, and they're not being housed in the County Jail. But there are still selective issues that we have to deal with that deal with public safety in and of itself so that we have to ensure that whoever is committed to alternative housing, where they can and have, walked away, that they're appropriate candidates.

MS. HEIDELBAUGH: I understand that. And the reason why I think all of us are so concerned is because we have a few items here that I call budget busters. And the jail is one of them. It is such an enormous expenditure, 33 million. So if we can reduce those costs in a thoughtful way, we'd have more money to give, for instance, to the District Attorney, to do these task forces. So in light of that, I would just ask you is that in the work that you do, you encounter any sort of issues in which you cannot do what you need to do to keep that jail population, a level in which we're going to have to build another jail and go back to the --- bonds, which we don't want to do, that we have to collectively as a community really jump on that.

Second question; the Civil Division is not represented here today, but it's represented through you, President Judge. One of the questions I had over the years is because of the, really the huge decrease in the number of civil actions filed, can you talk to us about the efforts that you as a Court have undertaken to reduce

costs if possible? One of the things I've always wanted to know as a civil trial lawyer, I know that each of the judges has a Courtroom, and they have certain staff. Is there any way to consolidate that to maybe use one courtroom for many judges, share staff to reduce the cost in that way or to transfer judges to the divisions who might need them more?

JUDGE MCDANIEL: Well, what we have done, civil court, since I have become President Judge, has gone from having 15 judges to having 11 judges, which is a significant reduction. We have the space available. I think it would --- they don't have clerks in their courtroom, so they really do need the three staff members that they are given to do their opinions, to answer their phones, to keep their courtrooms running. The space is there and available. In fact, we are consolidating our senior judges that some are housed over in that division. So what we've done in response to the dwindling number of civil cases that we've had, we put our judges in other divisions, primarily in the Family Division because their need is on the rise. And Criminal Court has been kind of pretty much the same. And Orphans' Court is our shining star.

JUDGE O'TOOLE: Thank you.

MS. HEIDELBAUGH: Obviously, Judge O'Toole, brilliant man. But can I ask one more question, Mr. Chairman? Can you address the Frick lease; the Frick Building lease?

JUDGE O'TOOLE: It's a lovely lease, nice building, you should stop over sometime.

MS. HEIDELBAUGH: I've been there, thank you. I've been there in front of you, Judge. But seriously, can you address the lease? Why are we still there? Can we put --- can we come back into the City County Building?

JUDGE MCDANIEL: Well, it's not that there are just three judges there. They also have a full staff of --- how many?

JUDGE O'TOOLE: We have 21 employees. One of the problems is a space problem. We haven't --- I have not detected any great utilization of space in this building and in the City County Building. The topic you've just broached has periodically bubbled to the surface as a way of possibly to save money. But we have to figure out where we put everybody, not just three

judges. And it's been somewhat of an attractable problem up to this point.

MS. HEIDELBAUGH: When is the lease up?

JUDGE MCDANIEL: Three years.

JUDGE O'TOOLE: It's a three-year lease.

MRS. CAPRISTO: No, it's a five year lease ---

JUDGE O'TOOLE: But there's a rollover provision. There's a provision for the County to leave; isn't that right?

JUDGE MCDANIEL: No, not exactly.

JUDGE O'TOOLE: All right. Okay.

MRS. CAPRISTO: Not exactly. It's a five year that started in 2012.

JUDGE O'TOOLE: 2012, December.

MS. HEIDELBAUGH: It started in '12?

JUDGE O'TOOLE: Right.

JUDGE MCDANIEL: And we discussed that possibility and we thought about it, but you know, in the City County Building, there's not just the Civil Judges. There's the Board of Viewers, there's the arbitration people, there's court management, the jury room, you know, all of those spaces are taken by different alternative resolution courts. So there really is not, but maybe one or two empty courtrooms and I don't even know if we have that.

JUDGE MANNING: You know from being there at the City County Building, it needs some serious rehabilitation. You can't draw water through the pipes. You can't get air conditioning and heating and ventilation to work properly.

MS. HEIDELBAUGH: Has there been any ---

JUDGE MANNING: I'm embarrassed that citizens come in and look at those places. This is where we function as a court.

MS. HEIDELBAUGH: Is there any other County space that you investigated for the Orphans' Courtroom?

JUDGE O'TOOLE: Early on we certainly looked at some buildings. The morgue was, at one point, an option. That was foreclosed.

MS. HEIDELBAUGH: Well you are the Orphans' Court ---

JUDGE O'TOOLE: Now I ask you to be serious. No. Every building or every site that was recommended had its own problems associated with it, and it made it less of an attractive option. But the --- at least in general

in theory I think your question is onboard some bean counters that work for us that it would be a good idea eventually down the road. But right now, where do you go?

JUDGE MCDANIEL: Well, and the other difficulty we have is if we do go into another building, then there's the question of building, you know, three or four additional courtrooms and additional chambers and you know, getting all of the --- everything in the works and staff space. So it's not just, you know, getting a room that's available.

JUDGE O'TOOLE: That didn't answer your question. You're frowning.

MS. HEIDELBAUGH: I'm not frowning.

JUDGE O'TOOLE: Yes, you are.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: Thank you for coming. I feel like Tom Hanks in Forrest Gump, you know, I waited this long. Remember what he said to President Johnson? I'm sure a lot of people in here feel the same way.

JUDGE MCDANIEL: I thought you were talking about the happens shirt.

MR. DROZD: No, no, no, no. But I do have numerous questions. This is very critical to me because I signed those probation sheets that those young adults bring into my classroom, you know, how they behave during the day with the Allegheny Seal behind it. I commend you because you looked outside. Really, I'm one of your biggest fans, I say that all the time. I visited your center, I don't know if it's still operative, out in East Liberty, where you've taken and said, let's get to the root of the cause so the recidivism rate goes down. And I really like that. That's really terrific what you're doing and I really mean that.

JUDGE MCDANIEL: Well, not to interrupt you but it's been said, and I believe this, you can ask Mr. Turner, but one dollar of treatment equals \$6.00 of incarceration. So for every dollar we spend in treatment, we're saving \$6.00 rather than incarcerate the person.

MR. DROZD: That's exactly what I was going to say about you, like I said, about I said about the DA, here versus this return. I agree with you, Judge. You're right on. My questions are this: first, these mandatory sentences that are inflicted upon you by the state, do you see that they need to be revamped, that it would reduce our cost --- by the way, Councilman Futules looked at me

and it's really 71 million in our jail. And I just said a year ago it was 58, 13 million in one year, you see what I mean? That's no fault of yours, it's what's happening in society today. And when I see, not necessarily in the schools which is the result of what's happening in the home. Believe me. That's what happening.

So my question is --- I have numerous questions. The first question, what --- I commend you on this. This is great. Great. What additional monies could we invest to enhance that return to reduce those operating costs? Where and what? Do you see somewhere that we can help and be of service? You know, this County, we can invest the monies to further reduce those costs, which is going to save us a lot of money that I see here. Do you see anywhere?

JUDGE MANNING: We can increase any of these programs but it requires more employees. And that's always the sticking point. Because I can get enough bracelets to band up half the County, but I need to have probation officers to monitor them.

MR. DROZD: You're right, Judge, you know, and that's done --- you know, we have to be patient enough to see that two or three years down the road, the return on that investment that we see that. Here's a concern I have second and then I'll come around with the second go-around. You showed a number of probation officers which is really interesting in comparison to the adult offenders. Do we have any stats on that for the adolescents? I'd really be interested to see that because I see it in one school that I witnessed I saw one probation officer and if possible, I don't want to throw it on your staff. It would be interesting to see on the costs the number of --- the trend of the number of probation officers where the rise in the crime rate has increased, both in the adolescent --- see what I'm saying?

MRS. CAPRISTO: It hasn't increased with adolescents, actually.

MR. DROZD: It has not?

JUDGE MCDANIEL: It has not. In the last few years, it has not.

MR. DROZD: Have we seen a deduction or an increase in the probation officers in that amount of time?

MRS. CAPRISTO: No. It's been fairly steady. And you know, they have --- for example, their electronic monitoring and their placement costs are covered 80

percent by the state. The County is only paying 20 percent. There have been nationwide and state and county initiatives that our Probation Department has participated in to reduce the number of placements for juveniles accused of criminal activity. And that has statewide and locally been extremely successful, which is one of the reasons why the population in Shuman is as low as it is right now. And the Probation Department also just like our adult probation has utilized evidence based practices so that they're dealing with --- they're devoting their resources to the most high-risk juveniles. And all of these things contribute to a savings.

MR. DROZD: That's my two, but I have others. I'll defer.

CHAIR ROBINSON: I believe Ms. Harris is the only person left. Ms. Harris?

MS. HARRIS: Thank you so much. I appreciate your patience with us tonight. My question is in follow up on the electronic monitoring and the anklets, I guess. You mentioned ---

JUDGE MANNING: That would be the correct term, although we call it ankle bracelet, which isn't correct. It's an anklet.

MS. HARRIS: It is an anklet as I learned in White Collar. Anyway, you mentioned that you need more parole officers to monitor. Given the success rate for the electronic monitoring, is there any other avenues to pursue, you know, software, to help the parole officers monitor more of them, hire --- you know, increase their volume without increasing the parole officers realizing that is a really high budgetary issue for you?

JUDGE MCDANIEL: Well, I think one thing that has been very effective in Allegheny County is we have two day reporting centers. And what this is, it's kind of like a one-stop shop for people that are on parole or on probation. They can go to the day reporting center, one's in Arlington, one's in East Liberty, and they can get their GED, they can do a job search, they can learn how to set an alarm clock and get up so that you're not late for your meeting. And these are --- and what we're doing is we're moving our probation officers from being in little offices into the day reporting center so it's all kind of rolled into together. What we really need is we need three more. And if we did that, I am sure that it would make a significant impact in Allegheny County.

We got the first two through grants from PCCD. Then of course, you know, they're out of the first and not the second yet. We have one more year on the second one in East Liberty. But then that becomes an additional cost that we, the courts, have to pick up, but we're willing to do it. But we've only got three and probably need four, if not five. And I mean, this is --- you know, you can go there everyday. You can go there once a week. And they try to find you a job, a place to live, make your medical appointments. They help you through all kinds of --- and we usually have a police presence in them which is kind of nice, you know. But I think that those are really essential in to helping people rehabilitate themselves.

MS. HARRIS: So in other words --- but to follow-up, the answer is likely no?

JUDGE MANNING: To answer your question, the answer is likely no because there still has to be a personal supervision. Someone on electronic monitoring will say I want to go to the doctor. The probation officer will say go to the doctor. And the probation officer has to check because if the guy decided he went to the bar rather than the doctor, we got a problem. We still have to have that supervision. It's not as intensive, obviously, as locking him up in jail, but this is an alternative.

MRS. CAPRISTO: And there's always an expectation with electronic monitoring if there's a response. And that's where the cost comes in. What's the response, it has to be a human response. And if you're not really monitoring and following up on those, there's no point in having electronic monitoring.

MS. HARRIS: Thank you.

CHAIR ROBINSON: Anybody on my right have questions for the Judges who are here? It's ten minutes to eight, the record should reflect. Anybody on my left other than Mr. Drozd that has anything on the first round? Mr. Drozd, on the second round?

MR. DROZD: You know, you've always been accessible and I've asked --- my first question is these cuts from the state, they cut a lot of monies. Have they hit us now in the Courts, or did we see this coming further down the pike? We're going to see some of those cuts still hitting us, and I guess it must have been probation officers, or somewhere like that. Have we seen everything or is still going to come down?

MRS. CAPRISTO: We really haven't experienced any severe cuts. But remember, a lot of what we get, especially as far as probation services is concerned, is from offenders paying. So we get that money back. So we haven't experienced any dramatic cuts in those basic services.

MR. DROZD: The projections? Any projections?

JUDGE MANNING: But there are --- to the extent we started a day reporting center with money from a PCCD grant. The way they work is they give you 75 percent the first year, 50 the second, 25 the third and then you're on your own. So the operating costs are still there.

JUDGE MCDANIEL: And new grants are becoming more difficult to obtain. So you know, it used to be if you had an idea, you could, you know, wait until an opportunity came up and go for it. And now it's --- there are not so many opportunities.

MR. DROZD: Hopefully the foundations may step up to see the value in that of what you're doing. I hope they do.

JUDGE MCDANIEL: I think that they are experiencing some difficulty, too. And we do have a good relationship with a lot of foundations. And we have, in fact, meetings with them and try to do the best we can with them.

MR. DROZD: Last question. And this is what Councilman Robinson and I do. We look at this --- and I did put this up once before, no reflection on you, okay, the State owes us a lot of money, as you know.

JUDGE MCDANIEL: I'm aware of it.

MR. DROZD: Are you aware of any of that money? Are we getting any? Is the City allocating any monies? Are they doing anything to keep, fulfill their problems to us? I see it on CCAP, too, all the way across the state, you know, a lot of the other counties say the same. They just roll their eyes. If we go after them, which we could take them to court, right? I don't know. I just wonder, is there any hope for us to ever get some of that funding, or any ---

JUDGE MCDANIEL: Can I say maybe?

MR. DROZD: Thank you ever so much.

CHAIR ROBINSON: As a follow-up, when Judge James was the President Judge, he and I had a side bar one day out on the sidewalk about this concern Mr. Drozd and I had. I said can you help us get our money. He said,

sure. He said what do you want me to do? I said, would you send a letter upstairs to whoever? He said, sure. And he sent the letter and sent us copies several years ago. If you'll be kind enough to check with Judge James, get a copy of that letter, just send another one to the same people, give us a copy. I'll feel better. Thank you for your time and your service.

JUDGE MCDANIEL: Thank you.

CHAIR ROBINSON: We're going to take a five-minute break. Five minutes. I'm keeping the clock.

SHORT BREAK TAKEN

CHAIR ROBINSON: Let me thank each and every one of you for bearing with us. As I said, this is something we go through every year. It's necessary in my opinion. But we only have to go through it once a year --- bear with us, because they pay you the big bucks. To help everybody understand where we're going for the rest of the evening, it's the anticipation of the Chair to recess this meeting until five o'clock tomorrow, which is the same time that tomorrow's meeting is supposed to start. But I'll use my magic wand here to take care of any problems. So please be prepared that we will recess and reconvene at five. That relates to what Mr. McKain and his team are going to present.

It's not necessary for Mr. McKain to cover everything this evening. It's not necessary for my colleagues to ask every question this evening. The second part is a lot harder. Mr. McKain and I, we get along fine. So I encourage him to help his employees continue to let them get out of here in a reasonable period of time knowing that he has to come back tomorrow anyway. And he can finish up tomorrow. Tomorrow will be a shorter day; it typically is. So it's not necessary for him to do everything tonight. He can just sort of set it up tonight and be prepared to come back with or without the rest of his staff, that's his decision, if he needs you to come back. I leave that to him.

I'll make one comment that's essential. It doesn't relate to the budget, per se. I'd like to congratulate the Honorable Valerie McDonald Roberts on her recent selection to be a part of the new Peduto administration. At another time under appropriate circumstances, this Council will recognize her service, not only to this county, but to the School Board City of Pittsburgh and to the Council City of Pittsburgh. She

will go home tonight with a smile on her face because this is her last County Budget presentation. She don't have to try to keep her eyes open and calling folks and say I'll be home shortly. She can go across the street and they'll put her through some agony over there which she's been through before. But in advance of our formal recognition of her at another time, and staff will contact her, I thank her for her service to this county.

For Mr. McKain and those who are listening, when the replacement for Ms. Donald Roberts is selected, it's the Budget Chair's anticipation that person will be interviewed, reviewed by County Council per the law. That's what the law requires. So if there's any permanent replacement, tell them in advance to ask somebody to come over here, work through our president, meet with us and then go about your business. Other than that, I'll bring it up every single meeting. There's no reason why all of the directors should not be subject to Administrative Code and the Charter in terms of whether or not they should serve this County. And I'm sure we can work that out and get that done and come up with a process that's respectful of all parties.

Unless there's something else that someone needs to say, let's let Mr. McKain, per my instructions, have the floor. Mr. McKain, if you'll introduce the gentleman who's with you, then the floor is yours.

MR. MCKAIN: Thank you, Mr. Chairman. To my right is Warren Finkel, the Budget Director. And I want to thank you and Council for allowing us our presentation for the 2014 Budget. I also want to take a minute and thank all the men and women behind me that also serve in this County in the Executive Branch and the excellent service that they provide. In front of you, Mr. Szymanski gave out a handout for our presentation and I was going to use that as a blueprint to kind of go through the highlights from our perspective and then obviously, open up to any questions/direction that you derive.

In summary, on the first page you'll see that the budget that we presented to Council is \$817.3 million. The 2.2 percent increase over the other --- the prior year adopted budget. No increase in real estate millage rate. Also, for the second year in the row, it's presented without the use of one time revenue sources to balance the budget. In addition, this is the second year in a row that we've incorporated a \$2 million fund balance

enhancement. This Council has been very supportive in working with us to increase our financial position. When we go for the bond rating agencies and they look at our fund balance, all of us Council and Executive Branch, et cetera, has worked to improve that fund balance. We went from unassigned 5 million to 12 million. When they saw the 2 million fund balance enhancement as a line item in the '13 budget, they applauded it. They embraced it. It was us putting our money where our mouth is to show that we're committed to change the financial position of this County.

Some other highlights you'll see here, we'll go into a little bit more detail with emergency services. The drink tax was talked tonight by County Council --- County Treasurer, John Weinstein, and we used those resources within this budget. And then also, the budget talks about a capital budget which is online for tomorrow. And we'll talk about that a little bit later on in our presentation.

Moving forward on the pages that you see, moving to page four, again we talked about the fund balance. As you can see, in 2011 we were at a historic low. With Council's support, we increased it in 2012 to \$12 million --- I apologize. Warren is pointing out this is the total fund balance. And then again, for '13 and '14, we put in a line item for \$2 million to enhance our fund balance. Going to page five, you'll see a run from 2003 to '12, about total fund balances. And you can see how we were really struggling in 2011 and again with your support, we're starting to turn the corner and enhance our fund balance. Down at the bottom is the unassigned general fund balance. That's the amount that Moody's and Standard's and Poor's really zero in on. That's one that has no commitments, no assignments, no reservations. And as you can see, we increased it from 5.7 to \$12 million at the end of '12. And we have a \$2 million fund balance enhancement for '13. And we're projecting to be much more positive from '12 by the end of this audit period.

Turning ahead to page seven, we want to talk about cash, our cash position. I'll just pick out a couple of the line items on here. You'll see that our cash flow in the general fund is much more favorable on October 31st, '13 than it was in '12. We have increased fees for real estate, a fund balance enhancement. Part of that is liquidity and cash contribute to that. You'll see

though in the total general fund when you put in Human Services in Kane with our receivables and turnaround for our reimbursement, we're still negative but if you look, it's significantly much improved from October '12 to October '13. Down below are the other funds, capital, general, and trust and agency funds.

Still talking about cash, if you'll look on page eight, this is to demonstrate to you that we forecasted out our current cash balance on October 31st, what we believe the receivables will be both from the state and local, and our disbursement. We're always tracking payroll payments because we're primarily a service agency, so we have to make sure that we have enough resources to meet our payroll and fringe benefit and also service provider obligations. So as you can see, by the end of 2013, we'll be positive cash balance. One of the contributing factors at the same time in '12, the 177, was because we went out for a double bond issue and that it made it a little bit higher from '12 to '13.

On the revenue side, I'm going to page ten now. You'll see that the overall budget, both revenues and expenditures, are about 2.2 percent. Picking out some of the subtotals, overall taxes, real estate, sales tax, drink is about 1.5 percent increase. Federal revenues are up 4 percent. State is about flat. Some other point of interests, department earning in charging of fees, the Health Department has increased their fees and that's about a million four from year to year. I already previously mentioned the real estate division. We had increased fees this year. We were a little conservative this year in the budget because we weren't sure how it was going to bear out. We're actually projecting even more revenue in 2014 primarily based on that industry increase at the closing of --- when people buy or sell their homes.

Down at the bottom, our expenditures is broken into characters. You'll see personnel, fringe benefits, supplies, services, things like that. The personnel is about 2.6 percent primarily. That's collective bargaining agreements that we have obligations to do. The fringe benefits are associated. FICA, pension, healthcare, Workers' Comp. Another item is repair and maintenance. You'll see that we're increasing that this year. I would attribute that to the new facilities department. We're trying to make sure that they have the right resources to build, what their charge is, a preventative maintenance

system in this County so we don't have to frivolously use dollars for one-year fixes instead of building appropriate systems and maintenance programs, not taking money out of capital but actually using it in the operating fund.

Going to page 11, just to build on the real estate a little bit more. You'll see a grid from '08 to '12, to '13, and '14. This is gross revenue so it includes current, delinquent and liens. And you'll see that it goes up from '12 to '13. And then from '13 to '14, it's more of a modest type of increase because there's less refunds. We had to account for refunds from '12 to '13. '12 to '13 revenue, neutral. You know, there is new construction. There are appeals. We've said from the beginning that the assessment challenge is a multi-year issue. We still have \$5.8 billion worth of assessments that at the Board of Viewers that we have to make sure that we account for. When we had brought to Council for the 4.73 millage rate at the end of last year to be adopted for this year, we knew that this was going to be multi-year. We know that many of them are commercial and material numbers that still have to be adjudicated. So any of the increases that you see, we'll have to make sure that we account for new construction, and we have that. And also, again, it's a multi-year approach. We cannot be shortsighted and make sure that we have resources to pay for any future refunds, particular the ones at the Board of Viewers.

I'm going to 12, sales tax revenue, perhaps is a measurement for our economy. You'll see that from 2012 and the actual '13 forecast is up 1.1 percent. Also, putting a 1.3 percent increase from the '13 to '14 budget as that revenue strength continues to grow at a modest pace. Drinking/car tax revenue, again that was talked in Budget and Finance and even this evening it was talked about by the County Treasurer. We continue to utilize that for the purpose with the Port Authority and we are using it for operating and capital this year. And that's actually a good thing that we're using it to fund --- a portion of the capital goes to the Port Authority. Traditionally, we have given a portion of our bonds to Port Authority for their capital. This is taken out of the drink tax. That means it's not hidden in our general fund as far as the real estate taxes. We're not using bonds. Why is that better? It's better because we go out for 20 years' worth of debt and we give them some of our

money that's out of debt to buy capital projects, but yet we have the debt on our books and they have the asset on theirs. If we're able to utilize car and drink tax to help fund our obligations for the Port Authority, it's a much better businesses model for us to use.

Flipping to the next page, 14, we wanted to just document, use some text on some things that initiatives that we did in '13 in conjunction --- many of them were County Council and some other areas that we have incorporated in the 2014 budget. Councilman Heidelbaugh had asked about the dependency healthcare audit. We have projected about a million dollars worth of savings. That's in this budget, and we've captured that through the results of that effort with our dependent healthcare. Also, administrative services has worked to look for double Homesteads and they've identified \$400,000. That's in this budget. A lot of effort and time went in with the Jail Medical contract. It was a large effort by the jail department of human services and the courts where we now have a new provider down there. And from budget to budget, that's another million dollar savings. We worked with Council to submit general obligation bonds that we have ready for the '14 capital budget. Our bond rating, actually on one of the rating agencies, they removed our negative outlook that helped us with attractive rates.

I also do want to add, I know tomorrow is the capital portion of the budget, but those dollars are already here. So whatever Council approves in the capital budget, we're ready to go. We don't have to go out and wait for the money or the bonds to be sold in March, April or May. Whatever you approve, our boots are on the ground because we have the funds ready to go. So the money is here and we're ready to utilize that. In addition, I will point out and I'm probably going to --- I'll also say it later on, the amount of money that we went out for this year for debt for 2014 is actually slightly less than what we're retiring. So we're not increasing our overall debt. Some other things that Council helped us with, you may recall that we wanted to ask permission for the cell towers, and that effort is starting to bear some fruit. As you know, the winning vendors still have to navigate through all the municipal zoning appeals and we actually now project for 2014 that we can add \$350,000 in the new cell towers. Hopefully in years '15, '16 and '17 we'll be able to measure that and that will grow also.

With Council's support I think it began before I came in '12, with Mr. Szymanski and staff, Budget and Finance to look at some fees. So as a catalyst, we used that document to drill down with our departments and come back to Council to ask for their consideration for increase in fees, and we've done that. We've done that with the medical examiner, Park and Recreation, Public Works and Health. That's in this budget. Some other things that are on here, I won't read every one, facilities management. We've continued to look at our guaranteed savings agreement. Phase One resulted in a 15-year net positive cash flow of about \$32 million. Phase Two, which we're still not complete on, we're focusing on Shuman, Kane, Scott and McKeesport, Glen Hazel and the COB. Some other things with Council's support that are great amenities now, new amenities to our citizens, our customers and the people that visit us --- North Park Boat House Restaurant, Tree Top Adventure and we just got approval from you to bring a deck hockey rink to Boyce Park.

Just flipping now to the expenditures, this graphic is just trying to show you from 2003 to 2014, that's a pretty significant period of time that you'll see that the total annual variance is about two percent. So I think that demonstrates Council and the departments working harder with the roads and the courts to have modest increases that we continue to work together, look for new and enhanced revenue streams. The next page is page 17. As I previously said, it's about 2.2 percent from '13 to '14 in the budget on the expenditures. There's some highlights on here that I'll just pick out and why there's some variances that might appear to be a little bit higher than normal. The County Solicitor is up. It's only \$163,000 but it's almost nine percent. That's primarily because we want to put some dollars in their budget next year to have outside expertise to help us do the next stage of the review for the not-for-profits effort. You may recall that we're asking all the --- we sent letters to the not-for-profits asking them to demonstrate how they meet the standards to be a not-for-profit. Many --- not many, but some are not complex, many are. And so these are resources to allow the department to draw on expertise if need be for some of the more complex ones.

Budget and finance is up but really, that's a shifting of budget. The County police had had a grant coordinator position in their budget. She had moved on, so we took those dollars and put it in the budget because we thought in addition to helping the police, it could be more of a county-wide effort. This individual will assist with grants, not only reporting them but also be a resource to the departments to help write grants and pursue grants. So we think that that's a good investment. Human Resources is up primarily because we would like for the first time to engage a firm to assist us in monitoring, implementing and enforcing FMLA. We believe that FMLA is significant enough in the county to make sure that we of course allow all the employees to have their rights, but also that we can appropriately track it, make sure that we're working with the employees to make sure that our staffing shortfalls are addressed that we can plan properly. So we believe that that's a good investment and that's why you see that increase from year to year in that department.

Emergency Services, you may recall that the County Executive communicated to Council that PEMA has met with us and the pot of money that they get is just diminishing. We, Allegheny County, get the landlines. We keep those landlines. However, and you probably noticed in your own experiences, landlines are going down. And cell phones are going up. We do not collect cell phone revenues direct to this County. We compete with all the other counties and all the other 9-1-1 centers across the Commonwealth for that pool of money. So our costs continue to grow and yet we don't have access to a rising revenue stream. It competes with all the small counties, all the large counties. They told us after we adopted this budget, that we were going to be short this year on what we counted for that. So we have to absorb about two and a half million dollars in the 2013 budget and next year you'll see an increase of about \$3.8 million almost. We are working through our 9-1-1 coordinator, our emergency services directors, with our legislators, with CCAP, with other constituents, counties that have the same problem. We need to address the formula statewide. It isn't working. The dollar fee that we get off of landlines which are diminishing are not enough. We need to go to NexGen. We have to be able to take on texting. We have to be able to keep up with costs and technology.

We need more revenue. And so we are working again with our legislators. We're appearing in front of Council committees. The Executive spoke at a hearing voicing his concerns. And it's not just an Allegheny County issue. It is a state issue that has to be addressed. That's why you see that increase in that line item.

Facilities management, the reason that you see that increase is we're trying more and more, especially with a smaller bond issue, to try to control our debt, is to not use debt, 20-year bonds on things that should be operating. So we've incorporated what I feel are more traditional items in the operating budget; for example, chiller systems and control and maintenance and County elevator rehabilitation maintenance. Those have traditionally been in the capital budget. I believe that it's more appropriate to put it into the operating budget at all times that we can and use those bond dollars for more, like roads and bridges and other infrastructures. So that's why you see that increase. The Sheriff was here earlier today. And it's primarily just because his civil fees are down. His Sheriff sales are down. And you now, in talking to Director Kate Barkman who collects a lot of those, just civil seems to be down. And it's --- you know, we hear different reasons. We hear that the economy perhaps is doing better, unless people are suing people for credit card debt, not paying bills. So Sheriff Mullen had mentioned that to you. We've always tapped into that. This year to keep him fully funded and staffed, we have it in the operating budget. That's 17.

I'm going to 18. It shows the operating fund full-time positions. Again, you'll see that we're actually under what we were last year in December of '12, less than we were in December of '10, December, '09. So we're very judicious with our head count. We know it's our most important asset but we're judicious with the amount of positions that we put in the budget. The next item is 19, it's more of an informational one. When we came to you last year, we told you that we had a significant number of labor contracts that were up and that we would be negotiating them. As you can see, we've been very successful with coming to agreement with a significant majority of these. Any of those modest increases are in this budget. Moving forward to page 21, Kane; Kane --- I'll bring up a couple highlights here. You see a run there from 2003 to 2014. You'll see that

the budget in 2013, the budgeted subsidy loss was 4.9 million. You'll see in '14 it's 3.9 million, \$1 million less subsidy. I would attribute that primarily to the Memory Care Unit. This Council approved in the capital budget for '13 us, using capital budgets to fill a wing at Scott because there's a demand for dementia in our region. And by that investment, we will improve the bottom line from a budget to budget position for Kane by \$1 million next year.

In addition, if I can build on this, I know this is a question earlier in the evening, if you look at the occupancy rate. I know that that's important. If you look under 2012, 86.13 percent and the occupancy rate we budgeted was 91 percent. And we haven't been able to achieve that. If you look at the number of average daily population, you'll see in 2012 was 968, you have to remember that that wing was unoccupied. We were using it this year to build that wing for the memory care unit. The memory care unit is expected to bring in 42 more residents. So if you add 42 to 968, that will be 1,010. So we need 13 more new residents to get to the 1,023 which is 91 percent. It was mentioned earlier today that there's a lot of competition out there and we recognize that. One of the efforts that we've done this year is that we had in the budget that was adopted by Council 2013 was \$187,000 ad campaign for Kane. We used it for billboards. We used it for radio. We used it on Port Authority buses. We believe that that campaign was appropriate to have us compete with a lot of the other centers. We do believe that Kane has a unique niche, but we believe that with the memory care unit and also with this marketing campaign and the great service that they provide, that the 91 percent is achievable as far as occupancy.

The next slide is 22. It's the Act 148 funded CYF. You'll see based on the forecast of '13 to the proposal for '14, it's about \$3.2 million of 1.5 percent that we're anticipating in all revenues, both the county share and the county share and then the expenditures are allocated below in Juvenile Court, the Department of Human Services and Shuman. Just continuing along, we're now into the long-term vet portion of our presentation. You'll see on 24 the rating agencies already had mentioned this, meetings and S&P. We have to get our fund balance up. Obviously, S&P was very impressed to go from 5

million to \$12 million in the revenue enhancements and working with Council that they took away the negative outlook and raised us to stable. Moody still has concerns. We hope to continue to show them with Council's support that our financial position will continue to improve as we control our costs and look for new revenue streams. Page 25 is just a question, how did the rating agency view the outstanding debt? And we just put in there some of the pages from their report. And you'll see some of the text there but they thought that we have a modest debt direct burden on page 26. On 27, S&P, moderate debt. If you go to 28, this is our run. This is the amount of debt that we have and how we planned that out for the out year, from the current year all the way to 2037. Page 29 is another graphic; outstanding debt both fixed and variable.

If you go to 30, you'll see that it actually breaks it out by issue and you'll see where it goes down in '14 and then it goes up slightly in '15 through '17 and then drops down in the later years. Page 31 is just more of a give you some perspective type of view on our debt service and what it is relative to percentage of the total operating budget. You'll see that many years ago it was more like in the 20 percent. In 2009, it was eight and a half percent, 9.3 in '10, et cetera. For this year, we're at about 9.6 percent. The reason why 2012 is a little bit less is because if you recall, we were able to do the refunding last year in '12. We are hopeful to be able to communicate back to Council if the rates would improve in 2014 that we can tell you some good news about any refinancing opportunities next year. No refinancing is in this budget. If it happens, it would just be gravy. It would be a positive impact that was unplanned. It's a conservative approach, but I believe the right approach.

On page 32, again legal margin. This is principal. We're currently at about the red, 860 million and we actually have the debt capacity to go to \$2.9 billion. That's just some perspective. But what I do want to say about debt this year is that we are not increasing our debt. The amount that we are increasing for '14 is actually a little bit less than what we're retiring. So we are not increasing our debt to '14. That's something that we were able to work through this year. We have a smaller debt issue. And that means then that we're not giving as much debt to Port Authority.

We're using the drink tax. We're also not using debt for some operational things that I think are more appropriate in the operating fund. And that's really our presentation, Mr. Robinson. And obviously, any questions or information that you or Council wants to supply now, we'll give to Council.

CHAIR ROBINSON: Thank you very much, Mr. McKain. Let me ask you a question. The figures that you're referencing, are these figures that the administration developed?

MR. MCKAIN: Yes. That's from our comprehensive fiscal plan. No proposed amendments; is that what you mean?

CHAIR ROBINSON: Right.

MR. MCKAIN: Yeah. They're our fiscal plan, not Council's proposed amendments. Yes, sir, they're ours.

CHAIR ROBINSON: Members need to be aware that Mr. Finkel and Mr. McKain are saying that this is their word product that Mr. McKain is referencing. This is not the work product of Mr. Szymanski and staff. We need to be clear. This is what the administration feels is their best effort. And we ought to respect it as such. What Mr. Szymanski and I have been working on with staff is what we feel is reflective of what Council would like to do. So if you're going to question Mr. McKain at some point, you need to be clear that he's referencing figures that the administration has worked long and hard to put together. These are not the figures that Mr. Szymanski and I put together. And where you see similarities, it's probably coincidental.

As I mentioned before, I know the night is growing long, and I don't want to keep anyone here longer than necessary. It's my anticipation that at the outer edges of how long we ought to be here is no longer than 9:00. I would prefer 8:45. But I don't have a lot of control over my colleagues once they start talking. But Mr. McKain, Mr. Finkel, and the appropriate people will be back here tomorrow to continue the meeting I'm going to recess when we leave here. Mr. Finkel and Mr. McKain have to be here anyway for the Capital Budget so they'll already be here so they will be able to continue. Hopefully, members will keep that in mind as they ask their questions that these gentlemen will be back and that there are other people here who might not be back who need to go home to their families and friends and get a good

night's sleep. Having said that, Mr. Burn?

MR. BURN: No questions.

CHAIR ROBINSON: Ms. Danko?

MS. DANKO: Mr. McKain, I'm one of your biggest fans, so I think it was a great presentation. My question has to do with page 19 Union Contract expiration dates. I want to make sure I understand it. You have some that are boxed and it says, interest arbitration units. What does that mean exactly?

MR. MCKAIN: They have the right to go to arbitration.

MS. DANKO: But they --- the only ones that have outstanding contracts are the SCIU court related, the Allegheny County detectives and the Teamsters Court.

MR. MCKAIN: That's the ones that have expired, that we're still working on agreements. All the others that were extended to '16 were the ones that we were able to come to agreement on. So the SCIU court-related was 12/31/12; the county detectives, 6/30/13; the Teamsters Court, nonprofessional, 12/31/12. And we're working with them and they have interest arbitration rights.

MS. DANKO: The public defenders have settled?

MR. MCKAIN: Uh-huh. Andy?

MS. DANKO: You know I always have a comment. If you put the numbers of employees of these separate units at some point, that would be helpful. Thank you.

MR. MCKAIN: Sure.

CHAIR ROBINSON: Ms. Harris?

MS. HARRIS: No questions.

CHAIR ROBINSON: Ms. Heidelbaugh?

MS. HEIDELBAUGH: Thank you, Mr. Chairman. As I understand this, we, Allegheny County citizens, are paying somewhere around, tell me if I'm wrong, \$69 million in interest on our debts?

MR. MCKAIN: Is that about right?

MR. FINKEL: No, that's not right.

MS. HEIDELBAUGH: What is the number?

MR. FINKEL: For what year ---

MS. HEDLEBAUGH: 2014

MR. MCKAIN: Pick a year --- like, you want to know maybe on an annual basis?

MS. HEIDELBAUGH: Yeah, 2014.

MR. FINKEL: It's approximately half ---

MS. HEIDLEBAUGH: I just took the number from that handout you gave me; debt service handout.

MR. MCKAIN: But you want to know the interest portion, not the principal; correct?

MS. HEDLEBAUGH: Yeah. The interest on the debt.

MR. FINKEL: Both the interest and the principal are basically locked in. The interest is governed by when the bonds were sold.

MS. HEDLEBAUGH: I just want to know a number.

MR. MCKAIN: I think she just wants to know the approximate interest number on an annual basis, '14, if we have it.

MR. FINKEL: For '14, it's slightly less than \$30 million.

MS. HEIDELBAUGH: So \$30 million?

MR. FINKEL: I'm sorry, approximately \$40 million.

MS. HEIDELBAUGH: So we're going to pay \$40 million in interest. I clearly understand the comments and all of the attachments and long-term debt. You've indicated that we are not paying more, we're not increasing our long-term debt. But the point is, we're not decreasing it.

MR. MCKAIN: That's correct.

MR. FINKEL: Actually, we did.

MR. MCKAIN: It's a slight -- it's a very slight --- about 52,000 ---

MS. HEIDELBAUGH: Right. So \$40 million in interest is not buying us anything. That's \$40 million we're paying just on our debt. We've got principal. And we did things with that, but we're going to spend that much money. So that, as a premise, when we come back tomorrow, I want to talk about all the other things that we're spending on that we're not taking that money and reducing our debt, the principal, so that we are not spending 40 million on interest payments. Okay? And if it's a different number ---

MR. MCKAIN: The only thing I wanted to point out, what that is paying for is previous bonds that were used to rehab our bridges and roads and all those things.

MS. HEIDELBAUGH: I understand that. I'm not arguing about what's been done. What I'm arguing is about is paying down the debt to reduce the interest payments.

MR. FINKEL: The debt service that appears in the book, if we don't do any other deal from this point forward, this is what the debt is going to look like.

MS. HEIDELBAUGH: I am aware of that.

MR. FINKEL: This is basically our fixed ---

MS. HEIDELBAUGH: But we are appropriators. We make policy decisions in conjunction with the administration. So that \$40 million is not giving us a meal to the homeless. It's not giving us a cell for someone; it's interest payments. To the extent that we can pay down long-term debt, we reduce our interest payments. And to the extent that we can decide not to spend currently, we free ourselves up with enormous amounts of money. These are policy decisions that we have to make. But I'm trying to make sure I have the numbers correct.

MR. MCKAIN: I think you're materially right; about 40 million.

CHAIR ROBINSON: Mr. Finnerty?

MR. FINNERTY: Thank you. I would like to know, we're talking about budget here and the Office of the County Executive, why you're increasing --- you're asking for \$397,888.

MR. MCKAIN: And I apologize. Specifically --- what page is that? I'm sorry.

MR. FINNERTY: This is page 18.

MR. MCKAIN: It's page 18. I'm sorry, what's the question?

MR. FINNERTY: My question is you have an increase of up to \$397,888. What's causing that increase?

MR. MCKAIN: That's from budget to budget, you mean, or from the projection of expenditures?

MR. FINNERTY: From '13 ---

MR. FINKEL: They're the same.

MR. MCKAIN: The overall budget is the same, \$415,032, but you're talking about the personnel cost?

MR. FINNERTY: That's exactly what I'm talking about.

MR. MCKAIN: Yeah. There's a --- if you look at the total personnel cost, \$396,462, the \$397,888, that's a pretty modest increase. There's a position that is unfilled, that's why the projected expenditures are only 333.

MR. FINNERTY: Oh, okay.

MR. MCKAIN: So that's a projection. But budget to budget, it's in total equal and the personnel is only up like a couple thousand.

MR. FINNERTY: Oh, okay. I just see the projected expenditure, and I ---

MR. MCKAIN: Yeah. There's just an open, unfilled position that we'd like to have budgeted for next year. And again, the budget overall is not increasing.

MR. FINNERTY: Okay. Thank you.

CHAIR ROBINSON: Mr. Futules?

MR. FUTULES: Just rehashing what Heather was talking about, the \$40 million. We pay our debt service now of \$68,737,000. That's at line number 47 in the budget.

MS. HEIDLEBAUGH: Page 29 is where the 69 is.

MR. MCKAIN: I'm sorry. I'm looking at a different book than you are. But yeah.

MR. FUTULES: We're paying \$68 million --- according to this book I'm looking at. We're paying \$68 million in debt service long-term. And you're telling me that \$40 million is its interest?

MR. MCKAIN: Uh-huh.

MR. FINKEL: But that's in the year 2014.

MR. FUTULES: So if we don't take on any new debt in 20 years, we're still going to have \$25 million, according to this?

MR. FINKEL: If we don't do anything, all you'll do is you'll --- all the bars on the left would just simple drop off and all the bars on the right are going to be there. All the infrastructure that the county has undertaken over all these years --- look at the cost of the new jail. That was what, \$7 million. We got stuck with that construction by court order and it ended up costing us probably \$140 million with the interest. And it's --- we have a lot of --- in this county that are very expensive to maintain.

MR. MCKAIN: To answer your question, that act of full faith and credit taxpayers are behind this, yes, and we've utilized and we do have it in this budget this year is to use bonds, you know, for our roads and bridges and other infrastructure. If we don't do any more, we'd have to really talk about how would we pay for this, capital assets.

MR. FUTULES: Well, realistically, when we look at long term 20 years, we're probably going to need to borrow again at some point.

MR. MCKAIN: Well, and we would come back ---

MR. FUTULES: If we're looking at history.

MR. MCKAIN: And we would. And we would have it layered in here with our financial advisor and come back to Council for their consideration. But next year we're going out for --- what are we going out for, 37?

MR. FINKEL: For 2015?

MR. MCKAIN: No, '14. What are we going after? 37,950 is the bond issue that we want for next year and we're retiring 38.02. But I understand the point, about the long-term commitment.

MR. FUTULES: We'll have a conversation privately about it --- just because I don't think it's public knowledge what I have to say.

MR. MCKAIN: Okay.

CHAIR ROBINSON: Mr. Drozd?

MR. DROZD: I'll defer to the lady first, Councilwoman Harris.

MS. HARRIS: No, that's okay.

MR. DROZD: Thank you. I want to commend you because you looked at innovative ways to enhance revenues and reduce operating expenses. And I hope you continue to do that long after I'm gone from this Council in a few months. I commend you and your staff and people that work with us are good people. That's very commendable and enhancing services at the same time. That's important.

Here's one thing I'd like to suggest. And I've said this before, you know. I once consolidated --- I started initiatives to consolidate six elementaries into four. It enhanced the quality of education. Well, first and foremost, it saved the taxpayers 50 to 60 million in capital --- 1.5 million in yearly operating costs, administrative, and enhanced the quality of education by reducing classroom size. I just was on VA on the Hill, if you know where that is, over where the police academy is and all that. They consolidated. I was amazed. All the buildings are closed down, about 14 of them, 12, 14. They moved the patients into another facility, consolidated to save. What I would like maybe through the Chair, this is a suggestion to your staff because you've done such innovative ideas, is to do a pert chart or where those patients and their families reside and where they commute in those facilities. And then take one of those facilities that you think would be doable to close and consolidate those patients.

From what I see in the projections on the revenues side and the expenditures side, this could be a

revenue generating item for the people of Allegheny County and for this administration. Take a look at it real hard. I think you'll find that. Because what you've done with the advertising, I commend you. That's what we need, skilled nursing facilities or you know, the dementia, much more of that. I saw that out there, I mean, you wouldn't believe the other wings. So we have something good. I'm not proposing to close the Kanes. I'm proposing to make it more friendly usable, consolidate and enhance revenues and enhance the services that we offer. It's worth while to look at and I'm sure you're going to find it may work. It may work very well for us and for the residents of Allegheny County. Thank you, sir.

MR. MCKAIN: Thank you.

CHAIR ROBINSON: I believe we've exhausted the questions of all who are here. Ms. Heidelbaugh has indicated that she would like you to address the concern that she raised in more depth tomorrow. Hopefully you understand her concern. If you need her to repeat it, she's certainly free to repeat it because --- tomorrow. I think that would be a good place for us to start with a follow-up on Ms. Heidelbaugh's question.

MS. HEIDELBAUGH: Thank you, Mr. Chairman. I just wanted to note I did have more questions, but I obviously followed the directions of the Chair. And I'm happy to close for today, but I do have more questions.

CHAIR ROBINSON: I'm going to presume that --- will be here tomorrow.

MS. HEIDELBAUGH: Yes.

CHAIR ROBINSON: And if you just give me a little nudge, you will be first in the recessed meeting to follow up with Mr. McKain and Mr. Finkel on your concerns. In ten more minutes it's going to be 9:00. I don't want to be here and I thank everybody is ready to go. So I thank the general lady for allowing us to get out of here in a timely fashion. This meeting is going to be recessed until tomorrow, Wednesday, the 13th of November at 5:00 p.m. in this room. Recess.

HEARING RECESSED AT 8:55 P.M.

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I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.



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