

ALLEGHENY COUNTY COUNCIL

PUBLIC HEARING

- - -

BEFORE:

Heather S. Heidelbaugh	-	Council-At-Large
Thomas Baker	-	District 1
Jan Rea	-	District 2
Edward Kress	-	District 3
Michael J. Finnerty	-	District 4
Sue Means	-	District 5
John F. Palmiere	-	District 6
Robert J. Macey	-	District 9
Barbara Daly Danko	-	District 11

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

Wednesday, October 29, 2014 - 5:00 p.m.

SARGENT'S COURT REPORTING SERVICE, INC.  
429 Forbes Avenue, Suite 1300  
Pittsburgh, PA 15219  
(412) 232-3882 FAX (412) 471-8733

IN ATTENDANCE:

William McCain	-	County Manager
John Weinstein	-	County Treasurer
Kevin Fisher	-	Deputy County Treasurer
Warren Finkel	-	Director of Budget and Finance
Greg Casciato	-	Budget and Finance
Stephen Shanley	-	Interim Director of Public Works
Dennis Davin	-	Director of Economic Development
Adam Lentz	-	Budget and Finance
Jared Barker	-	Director of Legislative Services
Walter Szymanski	-	Budget Director

CHAIR FINNERTY: I'd like to call the Public Hearing of Budget to order. Would you please stand for the Pledge of Allegiance.

(Pledge of Allegiance.)

CHAIR FINNERTY: Mr. Barker, would you take the roll, please?

MR. BARKER: Mr. Baker?

MR. BAKER: Here.

MR. BARKER: Ms. Danko?

MS. DANKO: Here.

MR. BARKER: Mr. DeFazio?

(No response)

MR. BARKER: Mr. Ellenbogen?

(No response)

MR. BARKER: Mr. Futules?

(No response)

MR. BARKER: Ms. Green?

(No response)

MR. BARKER: Ms. Heidelbaugh?

(No response)

MR. BARKER: Mr. Kress

(No response)

MR. BARKER: Mr. Macey?

(No response)

MR. BARKER: Mr. Martoni?

(No response)

MR. BARKER: Ms. Means?

MS. MEANS: Here

MR. BARKER: Mr. Palmiere

MR. PALMIERE: Here.

MR. BARKER: Ms. Rea?

MS. REA: Here.

MR. BARKER: Mr. Robinson?

(No response)

MR. BARKER: Chair Finnerty?

CHAIR FINNERTY: Here. Tonight we're going to start our hearing with our Treasurer, the Honorable John Weinstein. And there he is. But I'd just like to mention one thing that I keep referring to the budget. And these are proposed budgets. So if I do that, remember, really, they're proposed. So both budgets are proposed and we are just having our hearing in relation to different departments, our row officers and what they desire in the budget. If the basic budget hasn't ---

proposed budget, excuse me, hasn't given them what they wanted. So Treasurer Weinstein, the floor is yours.

MR. WEINSTEIN: Thank you, Mr. Chairman, members of Council. It's always a pleasure to be here. I know you have another full agenda this evening so I hope to run through this very quickly. The Treasurer's Office has always been an integral part of the operation of County government and I've had the pleasure of serving the taxpayers of this great county since 1999. I was Deputy Treasurer prior to that. So I've been attending budget hearings since 1996, not quite as long as Warren Finkel but I've been here a long time. And the Treasurer's Office has been an important partner, not just with the administration, but with County Council and maintains itself as the independent check and balance throughout the financial system.

We have submitted a budget request to you this evening and to Council through the process. But I just want to highlight on a couple of points and then we certainly can --- I'll be happy to answer any questions that Council may have. Allow me to introduce to you first sitting to my right is Deputy Treasurer, Kevin Fisher. Also with me today is Shawan Morgan and Jim Marsh from my fiscal division. We have --- our goals continue to maximize the use of technology based on platforms to enhance the service to the taxpayers. We create the most cost efficient means of developing a consistent banking protocol among all of our departments throughout the county. We have consistently enhanced staff training and participate in technological applications and advancements. Our main goal is to maximize collection efforts in special taxes and real estate taxes. And to achieve these goals we are requesting the following; for the operating budget for 2015 the Treasurer's Office has a proposed operating budget of \$7.3 million. A special projects budget of \$550,000. And a capital budget request of \$295,000.

The office operates within eight divisions to carry out this mission. I will identify the eight divisions for you. Basically, the cashier division which is the accounts for all revenues and disbursements in the county. We receive and direct and indirect all taxes by property owners. We do daily bank deposits through an armored truck service. We pay approximately 5,000 jurors and witness fees. We are the paymaster and we distribute

checks to all of the active employees which is about 6,600, 6,000 are direct deposit payroll, 600 are actually physical checks. We do a monthly direct deposit and retirement payroll which is about \$4,600 retirees. Verification of the reports of collections, all of Allegheny County are ascertained for accuracy. And we continuously are trained to maximize the benefits of new technology.

Our fiscal division which is basically the bank of Allegheny County, we have the fiduciary responsibility of funding various bank accounts for the disbursement of county money. We invest monies in accordance with our six-time, award-winning investment policy. The key elements of our policy are in order of priority, safety, equity and yield. We provide for a market rate return without assuming undo risk or principal. Our policy is certified by the Association of Public Treasurers of the United States and Canada. We were the first in the state to receive the National Certificate of Excellence Award for our investment policy. We have established the Bid Allegheny Program which some of you are familiar with. It's an electronic based certificate of deposit platform which allows us to prequalify banks and to bid in a competitive environment for deposits which is a transparent process which works extremely well in Allegheny County. All banks have an opportunity to do business with us.

In 2014 the Treasurer's Office worked in concert with other departments utilizing its banking relationships to compare foster care and family caregiver programs from paper checks to pay cards. The Department of Courts enjoyed the benefit of the Treasurer's Office's pricing strategies for most cost efficient services utilizing the economy to scale. The Treasurer's Office worked in conjunction with the administration to provide ATMs to various facilities within the county for convenience purposes while generating a nominal revenue. Our computer division prepares and processes all real estate tax bills. We administer and maintain electronic equipment in the network within the Treasurer's Office, develops manuals and provides training for various databases and software within the Treasurer's Office. We currently are implementing a new system called MS government for the new tax billing and receivable system for converting and migrating software currently on the main frame to a more

modern platform. We are providing a single source for integrated database.

Our Record and Retention Scanning Division, our office documents and scans to maximize storage space, cataloged to an onbase software system. And training is provided to access an upload additional materials for reference. Our Customer Service Division which is one of the most important divisions in the office dealing with taxpayers of Allegheny County. And truthfully, the taxpayers may have their first interaction with the county through our office. Our telephone call center provides resources to taxpayers that have questions unanswered, such as what the taxes are and the millage, the Homestead Exclusion, the senior discount program, as well as other programs within the county and the Treasurer's Office. To date approximately 39,500 phone calls were received in my office; 1,530 voice mail messages were left during nonbusiness hours which were all returned and addressed; and 633 e-mail messages were responded to by the call center. So you can see, that was 40,000 calls throughout the course of the year that brought us through October.

Our Real Estate Tax Division approximately \$350,851,000 of property taxes from nearly 600,000 parcels will be collected by December 31st, 2014. We process the abatements, all the change orders, the delinquent, the installments, the lock box, the refund, tax liens and overpaid twice payments. Our help desk issues tax certs, receipts and other payment verification. We administer the senior citizen tax discount program where eligible seniors enjoy a 30 percent discount on their taxes. The deadline for that, by the way, is June the 30th. As of September 1st of this year, there are 34,550 seniors in this county that meet the requirements of that program and receive a 30 percent discount on their county taxes.

2014 provided support statistical data for grant applications, river life areas hotel and tax data from 1999 to 2014 in that aggregate produced \$86,239,000 which increased over time due to the development of the North Shore. Our Special Tax Division, we're responsible for the collection and monitoring of the alcohol tax, the vehicle tax, hotel tax. And as of the end of September there were 149 active vehicle accounts, 158 hotel accounts and 1,917 active licensed alcohol accounts in this county. We have Treasury agents that visit these establishments for customer service as well as ensuring compliance. Our

agents have made over 530 visits and have collected \$615,000 just in delinquent special taxes.

We are escalating the progression of collection from reporting, call-in letters, agents' visits and internet postings as well. Our legal proceedings have been very successful as we all are aware. And compliance audits are ascertained through a third-party servicer. We examine as well legal proceedings that correlate directly to the efficiency of the tax collection and is necessary to ensure the success of the program. The estimated aggregate tax --- the collection for special taxes in 2014 will be over \$73 million. In 2014 I'm proud to announce that we've also launched an e-payment system for alcohol tax which was very well received. And approximately 25 percent of the bars and restaurants now pay it online. Our License Division is an agent for the Commonwealth of Pennsylvania for all licensing, including dog license, hunting and fishing, launch permits, bingo, small games of chance. As of September 30th the office has issued an aggregate of 119,000 licenses and for 2014 approximately 22 percent of our dog licenses were sold online which we have added as an additional feature.

The Treasurer's Office is in the process of going green and continuing our green initiative. We were the first county in Pennsylvania to offer people the opportunity to pay their tax bills online. We e-mail people their bills and they can pay with an e-check or credit card and we then e-mail them a receipt. We are going to continue to expand our e-payments services into the Special Tax Division. We are a team player making the county more efficient day by day by employing more economies of scale where appropriate. As an example, our banking services. It is crucial to receive more funding for third-party services that are necessary for the monitoring and collection of special taxes. There's a direct correlation to monitoring and the collection of these taxes. This is instrumental to the success of our program. I certainly thank you for the chance to be here and I appreciate the fact that Council rescheduled us from last evening, as well, Mr. Finnerty. With that being said, I know we have a full agenda this evening and I am open to any questions that you may have for me.

CHAIR FINNERTY: Thank you very much, Treasurer Weinstein. Your department does a tremendous job. We really appreciate that.

MR. WEINSTEIN: Thank you very much. I appreciate the compliment.

CHAIR FINNERTY: You are our revenue source. And we will open it up to questions. Let's start with --- Councilwoman Heather Heidelbaugh is here. And you can have the opportunity to ask the first question --- questions, two, please.

MS. HEIDELBAUGH: Thank you, Mr. Chairman. Thank you, Mr. Weinstein, for coming in. Your office always does a good job and I appreciate your efforts on behalf of the citizens of Allegheny County. I have some questions that really --- I really don't know the answer. This isn't a gotcha. This has --- I have no hidden agenda to asking; okay? What do you do in your office to deal with potential conflicts? For instance, I was very impressed by your remarks in regard to trying to make sure that you're kind of included in audit functions in your office so you're making sure you're going after tax scuff loss. You know, what do you do to prevent the conflicts of interest that we might see in your campaign donations, or you know, where you invest your money. Tell me the procedures in your office for that?

MR. WEINSTEIN: Well, the investment process is all totally independent internally. Deputy Treasurer Janice Vinci oversees the fiscal investment of that. She couldn't be here this evening but we have an independent staff that completely does that based on the rates. It has nothing to do with other than the rate that was presented for the day and the amount of money that we have to invest and the time frame. We work with the Budget Office to develop cash flows and to analyze when the County needs the money for how long we can invest it for. We have been very, very successful. As I mentioned, that's the reason we won the award for our investment policy. I believe six years six awards we've won in Pennsylvania. And it's a national organization that represents Canada and the United States. So our investment policy is certified. And since I've been the Treasurer, since 1999, we've never lost one penny of taxpayer money from risky investments, for things that have put the county in a position where we could never get our money back. So I'm very proud of our investment portfolio.

To address your other question, everything that we have has always been put through an RFP process,

whether it's outside counsel, whether it's auditing firms, the process is completely transparent and we advertise for that and they respond.

MS. HEIDELBAUGH: Do you have a conflict policy? Do you have an internal policy to guard against any, you know, certainly I'm sure not intentional but unintentional conflicts so that the people that you're having to watch, that you do not, anyone in your office, you or anyone in your office does not have a close relationship with?

MR. WEINSTEIN: Yes. I will tell you, I know for a fact that our outside counsel and our auditing contract, they do not do business with anyone that we are auditing. Like our auditors don't represent any bar or restaurant in the county. Is that what you mean?

MS. HEIDELBAUGH: Now, does your office have a conflict policy?

MR. WEINSTEIN: Yes.

MS. HEIDELBAUGH: Could you send that to me?

MR. WEINSTEIN: Sure. I thought you meant our vendor. I'm sorry, I misunderstood your question.

Could you send that to Walt and he'll get it to everybody.

MR. WEINSTEIN: Sure. Absolutely.

CHAIR FINNERTY: Councilwoman Danko?

MS. DANKO: On the investment, I think you just said Janice Vinci is in charge?

MR. WEINSTEIN: Her department, yes, fiscal division.

MS. DANKO: There was an article in the paper in the summer about how your office hired Scott Kunka and in our book it says his title is Chief Investment Officer. How do they work together?

MR. WEINSTEIN: Well, Mr. Kunka was hired by my office and has not been here. He has been very ill. I think he worked for maybe a week or two and he's on a medical leave. So Jim March who is here behind me has been assisting Janice as the Acting Fiscal Officer, and Shawan Morgan. Right. I think it was in here there was something --- I thought I saw that you were asking for an increase in seasonal salary; did I see that? Or maybe I'm reading this wrong.

MR. WEINSTEIN: That might just be for part time.

MS. DANKO: Okay. Part time. I was wondering what that was for.

MR. WEINSTEIN: That's just during the busy season, during tax season when we have additional workloads for assistance.

MS. DANKO: So you're asking for more part-time people during that tax season beyond what you've had in the past?

MR. WEINSTEIN: Correct.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: Thank you for coming in. Your office has done a great job. I don't have any questions at this time.

MR. WEINSTEIN: Thank you.

CHAIR FINNERTY: Councilwoman Rea?

MS. REA: Thank you. Thank you for being here.

MR. WEINSTEIN: You're welcome.

MS. REA: Just looking at this, you're coming in under budget this year; is that correct?

MR. WEINSTEIN: Yes.

MS. REA: By about \$200,000 or over \$200,000?

MR. WEINSTEIN: Very close to that, Councilwoman.

MS. REA: And then for next year, the increase would be about \$475,000; is that correct, or am I doing the math --- I'm thinking ---.

MR. WEINSTEIN: The proposed budget?

MS. REA: Yeah, the proposed.

MR. WEINSTEIN: Yes.

MS. REA: And because I don't read every detail, just tell me briefly what that's for, how many employees and where you want those employees to be and where you feel that makes your office more efficient?

MR. WEINSTEIN: Well, the difference employee-wise, headcount-wise is only a few.

MS. REA: Like just a couple?

MR. WEINSTEIN: Right. It's from 78 which is proposed to 82. And the other primary difference is for service costs, computer related, banking related and auditing-related functions. Those are primarily service cost relation.

MS. REA: Thank you. That's all.

MR. PALMIERE: No questions.

CHAIR FINNERTY: That's Councilman Palmiere that said that. Councilman Baker?

MR. BAKER: Thanks, Mr. Chairman. I have two quick questions. One is related to checks. I don't know

if it would save money at all but have you thought of making everyone do direct deposit? You said 6,000 and then 600 don't do direct deposit; would that save money at all?

MR. WEINSTEIN: In fact, Councilman, that's an excellent question and we are one step ahead of you. Our office is working very diligently with County Manager McKain and we're about to unveil the plan to --- all new hires will be automatically enrolled in direct deposit.

MR. BAKER: Is that a cost savings when folks do direct deposit?

MR. WEINSTEIN: It is. Well, we still print a voucher for them so they know how much their paycheck was. But it's definitely a cost savings. And it's much more efficient. So we have 6,000 that are on direct deposition and 600 checks that we print. So we're heading in the right direction.

MR. BAKER: Good. And then with calls, 40,000 calls, that's a lot of calls, something like 100 a day. Have there been any thoughts in maybe with only getting 600-some e-mails, this isn't the way to go but have there been thoughts about other ways that residents could communicate with your office other than phone calls which might be more --- might take up more time?

MR. WEINSTEIN: Well, we're consistently trying that. And the e-mail is gaining popularity. But it's not nearly as --- people want to call and talk to a live body. They don't even want to leave a message because sometimes that happens and they want to talk to a person. They want service. That's why we do it. Our call center is very, very efficient in helping taxpayers. And the numbers show that. Thank you.

MR. BAKER: Thank you very much.

CHAIR FINNERTY: Thank you. Councilman Macey?

MR. MACEY: Thank you, Mr. Chairman, and thank you John and Kevin and the rest of the staff for being here. I'm very satisfied with your report and the service that you provide. Thank you very much.

CHAIR FINNERTY: Just a couple things, Mr. Treasurer, sir. There is I think a difference of about \$500,000 compared to what you're asking and what we see in the budget proposal. Can you manage without that money, to put it very bluntly?

MR. WEINSTEIN: Well, that's a loaded question. Certainly we can. Ultimately we would be able to expand

some of the programs that I just identified and continue to integrate throughout the county and other departments and make things much more efficient. But I understand the parameters that you're facing and there's only so much money to go around. And the Treasurer's Office is a team player. And we're in this for the long haul to work with you, not to be a problem, but to be a complement.

CHAIR FINNERTY: Well, we sure do appreciate that. If you have a surplus of money, how do you end up putting it in the bank somewhere? Is there some kind of process you go through?

MR. WEINSTEIN: A surplus?

CHAIR FINNERTY: Yeah. Say this day you have like a million dollars you have to put in the bank somewhere.

MR. WEINSTEIN: Well, there is. I mean, we follow the investment policy which identifies exactly how the cash is to be invested on a daily basis. And it's a very detailed documented process. And it's also very open and transparent that anyone can work with us and watch any time. We have leveled the playing field and allow all the banks and savings and loans to qualify to do business with the county. So it's through a bidding process and we get the best rates that we possibly can in a short answer to your question.

CHAIR FINNERTY: That's good. Thank you, I appreciate that. Second round of questions.

MS. DANKO: I just have one.

CHAIR FINNERTY: You're not going to ask him why we don't license cats; are you?

MS. DANKO: That's another whole issue. We'll talk. No. Last night we heard that the courts when there's a vacancy they do --- routinely do a three-month freeze on a position and leave it vacant. They review the job description and they're looking for efficiencies, you know, it's also slammed into their budget, you know, as a cost-savings mechanism. And I'm wondering if your offices ever considered doing anything like that or if you have some alternative you use?

MR. WEINSTEIN: Well, we do it, Councilwoman, based on the importance of the job. As an example, if we had a cashier opening and we were about to embark on busy tax season, the job has to be filled right away or people will be waiting in line to pay their taxes or the call center, things like that. But predominantly, I do wait to

fill positions. I don't fill positions right away just because they come open. You know, we do a thorough analysis and research to find the best people that we can based on qualifications of the job that's necessary to perform the tasks of a job. But we normally do wait. I don't fill things right away. In fact, I have a couple of openings right now and a couple of people that are going to retire. Thank you.

CHAIR FINNERTY: Councilwoman Means? Any other questions?

MR. PALMIERE: I just want to make a comment on --- Jan?

MS. REA: No, I said I didn't have any questions. Thank you.

CHAIR FINNERTY: Councilman Palmiere?

MR. PALMIERE: I just --- when you were talking about the call center, Mr. Weinstein, I'm really glad that we still maintain the idea that people can speak to another human being as opposed to e-mail and all of this stuff. The world's becoming so impersonal, we're doing this tweeting and all this stuff, I'm glad that you can actually call the Allegheny County Treasurer's Office down there and talk to somebody. I hope you continue doing that in the future.

MR. WEINSTEIN: Thank you, Councilman. When I first came, as the Treasurer I was the first elected. That was a very large pet peeve of mine that people had to talk to a live person on the other end of the phone, especially the senior citizens of this county that sometimes, you know --- they only get a tax bill once a year. Sometimes they get very confused by what's on it or as things have changed the county has reassessed so things have changed on their bill. And they have a lot of questions about that. And our office is completely dedicated to customer service and talking to the people and walking them through the question to an answer. I get cards from people all the time thanking me for someone helping them and talking to them on the other end of the phone.

MR. PALMIERE: I can appreciate that. Thank you very much.

CHAIR FINNERTY: I just one other question. This one bar owner keeps harassing me.

MR. WEINSTEIN: You're not paying your bill, Councilman.

CHAIR FINNERTY: No. He's saying why can't they pay the drink tax every week. That's what he wants to do.

MR. WEINSTEIN: Well, the ordinance that Council adopted calls for the tax to be collected monthly.

CHAIR FINNERTY: Monthly, right.

MR. WEINSTEIN: But we have had tremendous success and participation by now having it online where the bars and restaurants can pay electronically. They fill out the form online and send us the credit card or e-check. And that's continuing to expand. We have over 25 percent of the bars and restaurants participating which is a high level. We're very, very diligent about going after delinquent bar owners. I mean, we're constantly staying on top of that. And we shut down about 40 bars and restaurants in this county. And it's funny how once you shut them down, they find the money to pay you.

CHAIR FINNERTY: Well, I think just as a trouble all that money sitting here.

MR. WEINSTEIN: Weekly, it would be a challenge to collect that weekly.

CHAIR FINNERTY: Thank you very much. We appreciate your whole Treasury Department.

MR. WEINSTEIN: Thank you very much. Have a good evening.

CHAIR FINNERTY: Thank you. Our next presentation is going to be by the County Manager and the Director of Budget and Finance. Does everybody have a copy of the fiscal plan? If you want to start. Mr. McKain, our manager.

MR. MCKAIN: Thank you, Mr. Finnerty and thanks members of Council. You have in front of you our presentation. And just walking through the presentation, 2015 Comprehensive Fiscal Plan, turning to page three we have some budgetary highlights. The 2015 Proposed Operating Budget for County Council the deliberate contemplate is \$839.2 million which represents \$21.9 million or a 2.7 percent increase over the '14 adopted budget. This year's proposed budget incorporates some organizational changing affecting Administrative Services, Parks, Public Works and Facilities Management. Details are coming up. The Parks Budget also includes funding to establish a Park Ranger program in 2015. If approved it will also allow the transition year for County Police to be utilized in what I feel is a more strategic and higher-priority manner. As in prior years the proposal allows

the Division of Children, Youth and Families to maximize the state funding approved in the Commonwealth's Needs Based Budget Allocation while continuing at current levels of operations. Another concern that we have talked about on Council is funding that we get for a 9-1-1 call center. We've talked about that in committees where the County of Allegheny is concerned that the landline fees that come to our county are not just stagnant but they've actually decreased because of the advent increase of wireless. Wireless funding at the state level is not distributed to the county, it actually goes into a pool and counties have to compete for that. And we don't feel that the formula represents the 1.3 million people in our population and the 1.2 million calls our call center takes.

Turning forward to page four, I just wanted to talk about fund balance. When Council does approve us to go after debt, we go in front of the rating agency and we spend a lot of time looking at our fund balance. And you'll see the fund balance here on page four with the different funds. They center a lot on the general fund. The total fund balance which is at the top of page four and also at the bottom where, that block that has an undersigned assigned fund balance. The Executive Branch, Administration, I want to thank County Council for their efforts to help our financial position. If you look in 2011 the total fund balance was \$6.3 million, at the end of the audit it actually was \$35 million, that's total fund balance. Down at the bottom the general fund balance which means it has no restrictions, no commitments, no assignments, that it actually has grown from 5.7 in 2011 to 12.2 in 2012 and the audit at the end of '13 was 27.6. Those efforts and Council's support and leadership, along with the County Executive, have resulted in one upgrade from one of the rating agencies and two approved outlooks. A little bit further in our presentation Mr. Finkel will talk to you more about that.

Moving on to cash on page six, we give a snapshot in time. You'll see for the year ending '06 through '13. What we said was that in September 30th, 2013, if you take a look, we have an unrestricted cash balance at the bottom of \$207.8 million. And on September the 30th, 2014, we were at \$297 million. We present this just to communicate with Council that our cash flow has improved, it's solid. One of the questions yesterday was from Council and the Controller's Office on repaying our

bills and we believe that this demonstrates that our financial position, including the acquitting of cash, is much better to meet our obligations to pay our vendors and personnel.

Turning to page seven, and then page eight is revenues, again, the overall budget is going up 2.7 percent. At the top are revenues. If you look at property taxes it's up about 2.5 percent. That represents for the '15 budget, it's actually in line to what we're currently forecasting and collecting, that's why it's higher than the '14 budget. Also, you'll see under the property taxes noncurrent, the Treasurer just did his presentation and he did an excellent job at collecting noncurrent delinquent taxes and debt has improved from '14 adopted to '14 forecasted and '14 proposed.

Some other revenue streams that have variances worth talking about is the sales tax that continues to improve. You'll see that it's up \$1.6 million from budget to budget. The drink tax is up about \$428,000. The next buckets of revenues are federal, state and our earnings and charges for fees. Overall, those three categories, some are up, some are down. In total they're up about \$6.2 million. Some of the items in the federal that are up, federal revenue for Kane is up due to that hidden memory care unit. At Scott were 32 additional beds filled in the memory care unit, generated additional money. In addition to that, Medicaid rate has actually increased from 1.7 percent and so that has contributed to the federal revenues increasing. Although you might see institutional placements going down in federal, if you look in the state it's actually increased both CYF at \$3 million and Insufficient Placements at \$2.7 million. That's just the way that they're recording it now in the revenue streams that we receive. So when it's all said and done, it's a significant increase for our county, for CYF and institutional placement.

Another line item is the Court of Common Pleas. You'll see that their revenues are up \$1.7 million. And the reason why that is is because there's always a grant for revenue that we get, grant budget. But the closing down of the school Probation Grant, for these monies it's not restricted any more based on the funder. So we're moving both the revenue and the expenditures from the grant to the operating budget. That's why you see that. We had that for quite some time but we're now moving it to

the operating budget because it doesn't have restrictions any more. The courts talked a little bit about that yesterday why they had their increased revenue just bringing over the same staff.

Some other items, down at the bottom, other is up about \$2.8 million. That's hotel/motel. And capitalized interest is up about \$2.3 million. Down at the bottom are the expenditures that again, are up overall budget to budget 2.7 percent. We are a service driven organization so if you take the personnel and the fringe benefits, that makes up 64 percent of the increase. If you add the services, that's 88 percent of the increase. So those top three items, personnel, fringe benefits and services actually comprise the 88 percent. Obviously, the personnel are up because we have contractual obligations to our employees. There's associated fringe benefits with these increases and medical and pension. The services are primarily up because of the revenue that we previously mentioned that are coming to CYF and institution placements.

The next couple of pages are lacking some of the most significant revenue streams. Real estate taxes, as you can see, is going up. And again, the budget and the forecast, the forecast is above the budget and is mirroring on the '15 budget. If you actually take the forecast and compare it to what we have for '15 it's only up like about 1.9 percent. Sales taxes on page 10, we actually budgeted 44.8, as you can see for '14. We're actually projecting that at 46.16 and have a slight bump from the projection because we failed to contingently grow.

The next page is 11, drink and car rental tax. The budget, even though you might see it as projected, from '14 it's slightly down in the '15 budget. Really, the '14 budget is 41.5 so we actually had it growing and continuing to grow based on collections.

On 12, we wanted to articulate some of the initiatives that we've taken from the financial perspective that we believe will benefit the county in the future years. As I previously mentioned, Standard and Poor raised our bond rating from A plus to A minus resulting in lower future borrowing requests. These also improved our financial outlook and the county bond rating from negative to stable resulting in lower future borrowing costs. We also with approval of County Council

had successful restructuring of bonds. The resulting net present value is in excess of \$16 million. And the actual budgetary debt service when you get from present value to the way we budget in a modified is about \$15 million savings. Because of that great effort, we actually could be a little bit more selective and the way that we structured those savings are on page 12. But we took \$4.9 million in '14, \$2.1 million in '15, \$3.5 million in '16, \$3.4 million in '17 and \$1.1 million in '18. Said another way, because of that effort, our debt is reduced by \$2.5 million for '15 if we have no issued any more debt. So that was a great success and we appreciate Council's leadership.

We had a successful general bond sale for the county's '15 and '16 capital budgets that we presented to Council. We wanted to go out the two years, we thought it was appropriate so we could take advantage of just having issuance costs for one time for two years, and that worked out this year. Council approved that, we've very grateful. Some of the other highlights, we had met in the Budget and Finance Committee. We talked about the consolidation of the former Department of Real Estate into the current Department of Administrative Services. And we believe these operational efficiencies can only be enhanced over time. When we lined that up when we came to the Budget and Finance about a \$250,000 savings. And we think that we think there will be more going forward.

Division of Children, Youth and Families is a significant portion of our budget. They participate in child welfare demonstration projects which allows greater flexibility to reach the Federal Title 4E funds for prevention services. Previously, the Title 4E funds can only be used for placement. So this has allowed CTF to invest more funding in prevention services to reduce the number of children in costly out-of-home facilities resulting in operating efficiency and also better service coordination. And I also mentioned to Tom here that we just recently opened a memory care unit that will increase revenues and meet demands that's growing in our region.

Turning to the expenditures on page 14, this is just a snapshot that shows from 2003 to 2015. We break it down by character with personnel, fringes, services, supplies, et cetera including debt service. But if you'll look for the period of time from 2003 to 2015, that the average annual increase is 2.1 percent. We represent that

to you to show that this county and Council has, you know, relatively speaking overall over a long period of time has had modest increases while we try to be judicious with our expenditures. The biggest driver you can see on there is fringe benefits which has often out of our control in some ways.

Turning to page 15, these are the variances that we had talked about in the front part of our presentation. Some items or departments that I'll single out and talk about is MBE/WBE/DBE. We've increased that because we had money in there in the service category because we'd like to have a consultant come into MBE and work with our department and try to come up with what we feel is best practices. It's something that the department has been urging to try to make sure that we have the best practices in this area. The MBE advisory board has been a proponent of this. So we've recommended in this budget, if approved, we'd move forward to contract a consultant to help us review our current practices and consider best practices that will help the services. It's already an effective high performance department. The Administrative Services, number 20, we have some suffixes here. That's the Department of Real Estate and it's also taken on the division of Special Events that was formerly in Parks. Human Services, we had talked about that on the front end with the revenues that were increased and then the additional services for Child Protection Law that were recently approved through State Legislature. And they provided additional money for us to meet those new demands.

If you look at 35, 37 and 38, you'll see, you know, a lot of variations there. And what we've done in this proposed budget with Public Works, Parks and Facilities Management is that we've moved what we feel are resources around to better synergies and also services. So out of Public Works we've taken the people that do the grounds and do the mowing of the lawns and take care of our bathrooms and our facilities out in the parks. So we've moving the laborers, the greens keepers and the park superintendents and we're going to move them under Parks. We believe that that is more of a direct relationship when they're handling our parks, preparing for events and things like that. And Public Works, of course, will remain the drivers and the engineers so they can maintain

our infrastructure as far as roads and bridges and sewer systems and things like that.

Some other changes that we're making is that we are going to move painters, electricians, plumbers, carpenters and stationary engineers out of Kane Hospital and take them to Facilities Management. The thinking there is that we don't want people on different hours. When we have a project we want Facilities Management to be able to have available to them all the painters, all the electricians, all the plumbers, all the carpenters and all the stationery engineers so they can properly plan to respond to a ticket item if it's at Kane or if it's at Shuman, the County Office Building or this Courthouse where right now there are lines in the sand where these resources who do a great job at Kane are doing Kane. But if we have a major project, and we did last year with Kane, all the pods at Shuman, you know, we really wanted to use them out there and be able to do Shuman more quickly, more efficiently look at the electric --- carpenters come in and we believe by putting them under Facilities Management, we can be more effective. And it will not hurt Kane. We talked to Director Biondo. As tickets and demands come there we'll make sure that resources keep up with Kane and their needs.

Facilities Management is, you know, building driven, facilities driven so we're going to transfer the architect that is coming from Public Works to Facilities. That makes more sense with the mission of Facilities Management. So the Parks are going to be receiving, as I said, a lot of the resources to do projects ---. And also we have a line item for \$400,000 for park rangers that the Executive talked about when he submitted his Comprehensive Fiscal Plan. So this budget asks for \$400,000 on what I'll call a transition year. What we would like to do is to build a program where the \$400,000 would allow us to attract a ranger who will help us craft a vision, the curriculum, the policies and procedures. Also, these resources will allow us to hire senior rangers and also have seasonal in summer, have some equipment like bicycles and training and uniforms and those type of things. And we're also receiving very, very positive feedback from the foundations with this program. Also from RAD to help support this in addition to the \$400,000. And Councilmember Daly-Danko informed me about the conservation group. We've met with them and they've

offered to be a resource to help develop job descriptions, perhaps send appropriate candidates over either in the seasonal or full time. So a lot of people want to help this program. Where '15 would be a transition year, start a program to hire these lead rangers and seniors hopefully if everything works out, March and April get into our parks.

The other side of the equation that we've talked about are the police that are in our parks. We have talked to the Police Association. We have talked to many stakeholders about these talented officers that are in our parks including the District Attorney. We also talked to Mr. Hickton. We talked to various communities law enforcement. And I'll go back to the book that is called Leadership with Rudy Giuliani when he took over as Mayor in the City of New York. He called his police chief in and he put a map up of the five boroughs and he asked the chief to put with red where the crime was --- this was before computers. And then he asked him to put blue where the police were. And they were nowhere near each other. And I'm not sure if that's a direct analogy but what we're saying is that we believe that we can come up with a model that takes these officers, many of them out of the park, to address the need in the entire county with narcotics, sexual assault, homicides, some specialized groups while we still have to make sure that we have resources that protect the parks, although there aren't --- you know, very little major crimes we have to make sure that there's still resources to be able to respond.

Our park rangers can be the eyes and ears in addition to the ambassadors in these parks. So the '15 proposed budget is to work through that. Obviously this cannot happen on January 1st, but we have to work to find the right rangers to help us build that program. And then also, we have to work through a model that makes sense, Superintendent Moffat and county police leadership to be able to allocate those resources. And to prioritize the very talented officers in an area of need in this county.

Moving ahead in our presentation, you'll see on page 16, the full-time positions from January 1996 where we had a high of 7,285. And you'll see, you know, that we're down the last couple years. Last year, December, was 5,186 and we're at 5,165 for full-time positions out of the operating fund. Just continuing along, this is always --- because there's such a service, industry and

labor intensive there's unionized contracts. We just wanted to show Council where we are at with the contracts. Most of our partners and laborers still have contracts that go to '16. We have some that are ending. You'll see in '14 the steelworkers, port related. Correctional officers were up in June of this year. Police officers at the end of the year. But most of them, as you can see at the top down, we have secured agreements with them for '16 which actually helps out budget planning.

Going to page 18, we talk about state and federal funding. And just going to 19 is a little grid on as far as the '14 budget, '14 forecast and then the '15 proposed. And you'll see that the county share is up \$800,000 but what that buys us, I mean, if you look at the noncounty revenue, it's about \$4.5 million so we're actually up 5.2. So by contributing \$800,000 we leverage about four and a half million dollars from noncounty revenue. And the expenditures are allocated down below. As I said much of it is to meet CYF's needs for child protection laws and enhanced services.

The next section is long-term debt. I'm going to ask our Budget Director, Mr. Finkel. I'm imaging this will be his last presentation of his illustrious career.

MR. FINKEL: Thank you, William. And this will be the last one, no ifs, ands or buts about that. If you turn to page 41, it's a little table there that actually shows where the county stands with two major rating agencies that we employ, Moody's and Standard and Poor's. Last year was a significant change to the county with Standard and Poor's where they actually elevated us to double A minus. There is a tremendous difference when you jump from single A to double A because the amount of possible investors that want to buy your bonds is universally now increased. A lot of the pension funds that buy bonds are prohibited from buying single A quality credit. So once you cross that threshold into double A, you increase your universe of potential buyers. And when we get more people wanting to buy your bonds, it drives down the bids that come in.

One series of bonds last year, they were oversubscribed seven times. Meaning, if we had \$10 million worth of bonds for sale, we actually received \$70 million worth of orders. And that's what we want to see because when you have a lot of orders come in, then you can turn around and reduce the yields on those bonds.

Moody's was not as generous but they did increase --- they did change the outlook from negative to stable. I personally was very upset with the report I got from Moody's because I didn't think that they listened to the presentation that we made. But regardless, they did at least put us up to a stable position.

If you look on page 22 there's a question, Standard and Poor's view of the county's debt. They both use the county's debt in a positive light. If they didn't, they would not have made these changes. And it's critical that we satisfy Moody's and Standard and Poor's because they provide the gateway to the potential investors. There are people that are out there that are not familiar with Allegheny County and they rely solely upon the rating reports that go online from these agencies. So I'm not going to have to read what it says here but these are strengths in the eyes of the rating agencies on page 23 and 24. Page 25 is a shot of the, all the county's outstanding debt from now until 2037. It includes principal and interest. And basically, it's --- there are reasons --- in 2014 we had that major refinancing so there's a dip there. And part of the savings, as Mr. McKain indicated, are going to be allocated. We didn't take all the savings in '14, we pushed it back for the next four years, '15 through '18, because our financial position was in a position where we could do that. We could better manage that.

I don't remember ever being --- ever allocating savings from a refinancing over time. We always took it in the year we got it. So last year was --- it could have been a first. On page 26 it shows you how a significant report, and this was insignificant, our variable rate debt. Our variable rate debt which is shown in blue. Basically, the rates on these bonds, they change every week. Every Wednesday or Thursday we get notified what the rates are going to be for that week. And you can see in that little table at the top that the total variable rate debt, there's a portion of the total that's 25 percent. Generally, they're looking --- they want to see jurisdictions that have variable rate debt to be no more than 10 percent. On page 27 it's the same silhouette as on page 25 but it actually shows each individual bond series series by series on it. If you just look at the column on page 2014, that burgundy column near the bottom, that large piece in that column, that actually represents

the Series C57 which was refinanced last year. And so we actually refinanced that with a Series C73 bond. So that color will disappear because of the refinancing.

I dug this up, I stumbled upon this. If you turn to page 28 I was going through my old files and I came across operating budgets or expenditure reports back from the early '70s. And I was dumbfounded when I saw the debt service as a percentage of the total operating budgets. In those early years in the '70s was an astronomical minimum of 20, and sometimes up to almost 25 percent or 23 percent. You know, at that time the county had the airport as an operating department. This year --- I mean, the green bars show a more current position that we're down to 7.8 percent of our total operating budget for 2014. And this is a positive. The benchmark is they want to see the outstanding debt to be no more than 10 percent of your outstanding --- of your total operating budget. On page 29 the legal debt margin, I don't think anybody's interested in this other than the Pennsylvania Department of Community and Economic Development. This is part of the local government debt act that we have to furnish this information. The legal debt margin is what it says. The county theoretically could borrow, if it had the resources to pay the debt, close to \$3 billion. And you see the salmon color bars are way below that. I guess this is supposed to give comfort to potential investors. But it is still positive. And that's it for that section. That concludes our presentation, Mr. Finnerty.

CHAIR FINNERTY: Okay. We'll start with the questions then. Councilman Macey, go first. We'll try to keep it to two questions each and then we'll just keep going around.

MR. MACEY: We heard yesterday from the courts that there's quite a bit of repair they feel is necessary, not necessarily maintenance repair but refurbishing of the courtrooms. Do you find that to be consistent throughout this building?

MR. MCKAIN: I did. And I just want to say a couple things. Yesterday when I was asked how much we had in the budget for the courthouse, I had said \$100,000 plus there was another \$400,000 budgeted for ---. We're going to get to the capital in a little bit. It's \$100,000 that has entitled courtroom. And the other \$200,000 is court costs. So I just want a full disclosure and I'll get to that answer in just a little bit. Facilities Management,

which we created, you know, does a lot of great work in the courthouse but as Judge Manning pointed out and we concur, that as good as a job as they do, I have missed many, many things that were done, not just in the judges' offices, but throughout this building, you know, from the bell tower to exposed aggregate across the sidewalks, you'll see light changes in Council and other places that go on and off to save energy. We did the stairwell painting, painting seven different judges' rooms, deep cleaning the courthouse, pooling engineering improvements, et cetera, et cetera, that this building which is historic needs a long-term and a significant financial fix.

In the month of November, next month, we will be engaging an architect for the courthouse to be able to talk to the stakeholders. You might recall over a year ago the executive had put different committees together including representation from Council to get some input. This architect charge will be to craft a vision for this courthouse, artists' renditions, costs and everything, from the envelope to the courtrooms to the systems. To do that is going to be a real lot of money. I know that the judge had showed, we checked, it's about \$4.4 million he submitted over five years. But to do something to the magnitude of this courthouse to bring it back to where it should be, talking to different engineers, would be anywhere from \$50 million to \$100 million which, you know, our vision is to have this architect craft what options there are. And then if we all work together, like the judge mentioned Philadelphia, get some state money and the foundations have asked or communicated that they'd like to contribute, the Bar Association, et cetera.

But to come back to your question, yes. I think the Facilities Management does a great job but because this has been a building that has not had a preventive maintenance program, has not had proper attention, that many things that the judge said we concur. And that's why we also created the Facilities Management Department because that's why we're knocking down buildings in South Park and why we have to fix our buildings because our buildings for whatever reason have fallen into disrepair, including this historic one. And we have to I think address it, not only with his input but everyone's input including an architect who can craft what the true outcome should be and what the true costs are.

MR. MACEY: I wanted to thank you for being here. My other question is as far as technology and inflation is concerned I see the 2003 to 2015 as far as equipment is concerned, are you satisfied that the equipment that you have is capable of doing the job that you need? I do realize --- usually computers and some equipment, their useful life is about five years at the max.

MR. MCKAIN: I think we can use more. The Department of Computer Services is always pushing new technology. We just rolled out ten clients. We have a saying that we would like to use technology to enhance services. And they go hand in hand. We have a golf course in one of our parks that you could take a credit card that you couldn't at the other which doesn't make sense. We want to make options. So we put those type of services in both of our parks. We have Allegheny Alerts to communicate to the citizens that want to come to events. The HR Department just received along with DCES the Lukeno (phonetic) Employee Service Award because they now have online employee applications. We were told a year ago with our demographics and our workforce that no one will do it, it will be a very low number. I'm happy to report since we've rolled it out, 97 percent or more now apply online. So to answer your question, we believe that we're moving in the right direction. We use it as much as we can but we can always use more.

CHAIR FINNERTY: Thank you. Councilman Baker?

MR. BAKER: Thank you, Mr. Chairman. My only question is related to page 17. You list all the union contracts there. And this might be a naïve question but why are they all in there ending at the end of 2016, is it just that no contracts take place in election year?

MR. WEINSTEIN: Well, because they wanted to take three years of my life. When I started in August of 2012 this just has been a pattern for this group and so it happened. I'm not sure what the premise was or if that's just the way it worked out. But frankly, as you can see, the majority are and then we have the others. But I really don't have an explanation unless someone knows the history. I will tell you, that's a lot of work.

MR. BAKER: I can see that making you nervous potentially if they're all coming in at the same time.

MR. MCKAIN: I agree with that.

MR. BAKER: Sorry to mention that.

CHAIR FINNERTY: Are you finished, Councilman?

MR. BAKER: Yes.

CHAIR FINNERTY: Councilman Palmiere?

MR. PALMIERE: I'll pass for now, Mr. Finnerty.

Thank you.

CHAIR FINNERTY: Councilwoman Rea?

MS. REA: Thank you, Mr. Chairman. I'm sorry, when you were talking about those rangers in the park, I didn't hear where --- where are they in the budget? What department are they under?

MR. MCKAIN: We have them in the Parks Department. And it's ---.

MS. REA: It's a grant?

MR. MCKAIN: It's \$400,000 we're asking out of the county budget to seed money so to speak that will hire elite rangers, senior rangers. Also some summer rangers, some materials, supplies, bikes and things like that. And 112 of the CFP. But the grants we're talking about is when the Executive had mentioned about the ranger program we had been in contact, or he had actually approached us, where various foundations would like us to come back to them to see what the needs are once we identify what the full implementation would be to help us with training, materials and other things like that. RAD has also spoken in support of this. So I believe in addition to the \$400,000 that we will hope to come back to Council while we're in '15 talking about the potential grants. And roll out the program fully in '16, meaning a full ranger program and then the determination with the county police.

MS. REA: I then I have another question. I'm on page six of your handout and I'm trying to understand the Kanes. If someone would just go over and say the first three or four numbers, I guess, there and explain to me --- it's like there's a huge deficit but in the end there's not.

MR. MCKAIN: Are you talking about salary ---?

MS. REA: The last column.

MR. MCKAIN: Going top to bottom?

MS. REA: Yeah. Just like the first, like, negative numbers, the 82 --- is it \$82 million and \$25 million there or am I reading that incorrectly? I can't understand that.

CHAIR FINNERTY: It's September 30th.

MS REA: September 30th, 2014. Yes.

MR. MCKAIN: I'm going to let him take over. You might recall yesterday's presentation some of those questions were asked of the Controller's Office. And they had mentioned and we concur that the state, you know, as far as receivables, they were passed.

MS. REA: Okay. That's state monies.

MR. MCKAIN: And we worked really hard to get our invoices into them and we kind of dogged them to get it. If you look in 2006 and '08, you see the positive numbers going from left to right under Human Services and then it starts going negative. That's when they were paying us more timely, quite honestly. And so that's why there's a negative. Even though we're due the money, we booked the revenue, but this is cash. And they're just delayed in payments. And that's why the other pooled cash kind of makes us whole at the bottom.

MS. REA: So in the end, the Kanes aren't losing any money; is that what I'm reading here? Am I reading that correctly or incorrectly?

MR. MCKAIN: This is cash.

MS. REA: Cash.

MR. FINKEL: This is just cash. This actually eliminated this trend of negative balance, negative cash or cash deficits for Human Services at Kane. This is the old institution district. And the funding was always never on time. The state is a very slow payer and the federal government is also. It's curious even to why we're showing these funds because it just simply reports the general fund. And that information is shown here and it's simply netted out. I wouldn't be ---.

MS. REA: Be concerned?

MR. FINKEL: We're not concerned about the individual modules that comprise the general fund but the Human Services and Kane that came from the old institution district, the institution district was actually dissolved, I believe, somewhere around the year 2000. These negative deficits came forward from that. But this chart, the attempt to this chart to show the position as much improved over the past, even last year we reported cash on the balance sheet for the first time in about six or seven years. We're actually in a better position year to year today than when we were at the same point in time last year.

MS. REA: And you estimate because of the new memory units that will even make it a better cash flow over the next 20 years; is that correct or incorrect?

MR. FINKEL: Yeah. But it's --- you're still going to see these large negatives in Kane but overall for the general fund, we believe it's still going to be a significant positive.

MS. REA: Thank you.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: Thank you. I want to thank Mr. Warren Finkel for all your years of service with us. You're a very valuable employee and always happy to see you. We're going to miss you, hopefully not too much. I mean, that's like if we don't fill your position, that's what I mean, like where is he, we need him now. I wanted to ask questions about the Kanes. How much money are we losing? I understand like this is a cash flow thing and they haven't reimbursed us but how much money do you think we're going to lose on the Kanes? I know in the past we lost money, a million dollars or so.

MR. MCKAIN: I think it's more than that. In '12 it was almost a little over \$2 million and 13, and about 3.8 and we're budgeting about \$40 million this year. And in '15 it's around that.

MS. MEANS: So we are losing money on the Kanes?

MR. MCKAIN: Yeah. We subsidize that. Yes.

MR. FINKEL: It's the occupancy, the lower occupancies. The more you have assistive facilities that are competing with Kane, the more difficult it is to bring new patients.

MS. MEANS: We don't want sick people but --- right? Okay. I have a question about Facilities Management. When you look at, let's say, the courthouse. This is an asset, a county asset. It's worth \$24 million without the property. Is there a rule of thumb that you're going to --- I mean, I was told that if you're going towards a million dollars, you can expect to spend five percent to maintain it, keep it clean and maintain it, not to improve it or put new windows or whatever. Is there a rule of thumb when you go to estimate how much money it is to maintain your asset, which would be this courthouse?

MR. MCKAIN: I would say if that was a new building, that was probably a good model. But because we've inherited deferred maintenance, that that is

probably not reasonable. So what Facilities Management has done is that they have gone out and visited the building, done their own assessments. Also, they, getting back to the technology that Mr. Macey asked, have a city work system. And it's a ticket system where anyone from a judge to County Council to the Treasurer's Office can put in what their needs are so they can respond to that. Director Kossert came after 28 years in Duquesne University and that campus where he's trying to build preventative maintenance. What we put in the budget is what we believe is enough, you know, to have priorities and maintain. Again, getting back to the courthouse, I just think it's a unique asset that we're going to need significant dollars to address. It's just that we're just in a catch-up mode right now so I'm not sure if the five percent is really relevant until we get up to where we should be.

MS. MEANS: So there isn't a rule of thumb from old buildings, ten percent, five percent is just a new building; right?

MR. MCKAIN: I've read those models. It might be even different. But those are for new buildings. Right now we really --- that approach does not work for us because of the deferred maintenance.

MS. MEANS: Thank you.

CHAIR FINNERTY: Councilwoman Danko?

MS. DANKO: First I want to start by saying I think that you guys --- Mr. McKain and Mr. Finkel, you've done wonderful work during the time that I've been on Council. And I know Mr. Finkel's been here a lot longer and I think it's kind of ironic that you weathered the worst years of trying to budget in a county and now when we're kind of on the upswing is when you're ---.

MR. FINDEL: It's a much different feeling. It's much more optimistic today than it was years ago.

MR. MCKAIN: But to your point I think it's appropriate he's leaving when we're on much better sound financial position with his work.

MS. DANKO: I think it's a great credit to people that work, you know, long and hard in the budget offices. I'll just go to the revenue question first right off the bat. I notice that you doubled, unless I missed it in your presentation, the amount that you're projecting for the hotel/motel from \$2 million to \$4 million. And I'm wondering why.

MR. MCKAIN: That is to fund a couple of projects. It's going to fund --- that's not revenue projection, you know. The hotel/motel is a separate fund and it has a fund balance. So we're using \$2 million more.

MS. DANKO: So you're taking money out of the fund balance?

MR. MCKAIN: Yes, what we do have.

MR. FINKEL: The hotel/motel is a trust agency fund that monies are collected from various hotels and from that the most significant payments or debt service payments are made out of there. There's --- I'm trying to think. I think the balance in that account is probably pretty close to \$5 million. And what we use it for is to subsidize operations of the parks.

MS. DANKO: So it's not really current year revenues then.

MR. FINKEL: No.

MS. DANKO: You are not projecting we're going to have some huge conventions next year.

MR. MCKAIN: It's more taking out of the bucket so to speak.

MS. DANKO: I noticed, you know, several people and I appreciate that you put the union contract expiration dates in here since I think I ask for it every year. The three contracts that are up in 2014 I was wondering if you could give us a brief overview of where those contracts stand right now.

MR. MCKAIN: That are up in '14?

MS. DANKO: Yeah. You have the steelworkers, the correctional officers and the police officers.

MR. MCKAIN: Pursuant to our CBAs, when they're coming up at the end of the year there are requirements to trade information. And they've begun with for sure the correctional officers and the Allegheny County Police where we have shared information. The steelworkers also because they're actually in arbitration. So there's been --- the update is it's October, pursuant to labor law and our CBA our lawyers have met with their representatives and they've shared information in advance of 12/31. It's just an ongoing process.

MR. FINKEL: The correction officers arbitration hearing I believe it's going to be set for early December so that hasn't taken place yet.

MS. DANKO: Do they automatically go to arbitration if they are past their date?

ANDY: They're what's called an interest arbitration group so they meet and talk and then come to an agreement. At the end of that process more often than not you just go to arbitration, both sides present evidence, their proposals and the arbitrator decides what the contract's going to be. So they're under that model.

MS. DANKO: Thank you.

CHAIR FINNERTY: Councilwoman Heidelbaugh?

MS. HEIDELBAUGH: Thank you, Mr. Finkel, very much for your service to the County. I always appreciate your candor when I ask you a question on budget and finance.

We heard Mr. Fitzgerald at his September State of the Union. Mr. McKain indicated that he had promised the citizens of Allegheny County when he introduced the ordinance on the drilling at Deer Lakes that \$2 million would go to Deer Lakes Park. He said he said that when he introduced the bill. And so we pulled the transcript and I've looked at that. And there is no such mention of that.

In addition, I pulled all the public statements in that regard and there are no public statements when he introduced the bill at Deer Lakes Park that \$2 million would go to Deer Lakes Park. Can you tell me where he promised the people of Allegheny County that \$2 million would go to Deer Lakes Park?

MR. MCKAIN: It's in the capital.

MS. HEIDELBAUGH: No, no. When he introduced --- he said --- the last time he was here, as you famously will remember, he accused me of making false accusations against him. He said that he promised when he introduced the bill that he was going to give \$2 of the royalties --- not royalties, the bonus to Deer Lakes Park. And we pulled the transcript. It's not located there, nor is it located in any of the public statements. So do you know where it was he promised \$2 that would go to Deer Lakes Park?

MR. MCKAIN: On page 150 of the Comprehensive Fiscal Plan under Parks is a project, Deer Lakes Park Improvements, \$2.133 million.

MS. HEIDELBAUGH: That's not when he introduced the drilling. Let me go over it one more time. When he was here in September during his one of four State of the

County Addresses, he stated when he introduced the ordinance to drill at Deer Lakes Park, he said he promised that \$2 million of the bonus payment would go to Deer Lakes Park. When he introduced the bill I pulled the transcript, there is no mention of tagging \$2 million for Deer Lakes Park. In addition, I've searched all of the newspapers and there's no mention when he introduced the drilling that \$2 million would go to Deer Lakes Park. I'm aware that \$2 million is going to Deer Lakes Park. There was no promise of that as he stated in his last County address. So my question to you is do you know where it was that he promised this when he introduced the drilling bill?

MR. MCKAIN: Where he specifically was when he did that?

MS. HEIDELBAUGH: Where did he make the statement that he was going to give \$2 million to Deer Lakes Park?

MR. MCKAIN: I wouldn't know that specifically. And respectfully, I take him at his word and it's in this document, \$2.1 million.

MS. HEIDELBAUGH: That's not when he introduced it. He said when he ---.

MR. MCKAIN: Then I don't know. I know it's in his budget.

MS. HEIDELBAUGH: Well, I know that.

MR. MCKAIN: But I take him at his word. I don't know the answer specifically.

MS. HEIDELBAUGH: So the other question that I have is on the TIFS that we have passed I County Council and have been introduced by the County Executive. Are you aware as the County Manager of how much of our tax base we have willingly given away in essence from TIPS in this year alone?

MR. MCKAIN: I think we can look into that but we don't have that ---.

MS. HEIDELBAUGH: I can tell you. I just wanted to know if knew.

MR. CASCIATO: A quarter to half a million?

MR. MCKAIN: For '14?

MR. CASCIATO: Somewhere around ---.

MS. HEIDELBAUGH: I have it at \$5 million.

MR. MCKAIN: When that was asked at Budget and Finance, Greg can look that up for us. It's about five.

MR. CASCIATO: 5.3, I'm sorry.

MS. HEIDELBAUGH: Yeah, just for --- for '15. And so do you know how much total taxes that we have given away in TIFS and LERTAS for an amount --- you know, TIF doesn't last one year, a TIF is an agreement to forego taxes for a number of years. Do you know the amount of taxes that we have agreed to forego, that we have deleted our own tax base but we've turned to the TIFS in the last two and a half years I've been on Council?

MR. MCKAIN: I can get that and give it to Budget and Finance. I also will point out that those are proposals of legislation that is sent to Council. They deliberate it and they approve it. And also, you know, show what the economic benefits are in the program that is approved by Council when we present it. You know, I take it at the Water Front, and I know there's a philosophical debate but I think many would say if that wasn't done there, I'm not sure if that community would have survived. And now they're collecting local service tax and income tax and things like that. But to answer your question, we can work together and present that to the Budget and Finance.

MS. HEIDELBAUGH: I think that's fine.

MR. MCKAIN: When did you want it, what years? What period of time?

MS. HEIDELBAUGH: Yes, two and a half years. I believe that's mine, too, Mr. Finnerty.

CHAIR FINNERTY: I guess I get to ask you a few questions here. You talked about moving the electricians, the painters, the plumbers, from the Canes so that they would come under Facility.

MR. MCKAIN: They are going to go to Facilities Management as far as directing them doing jobs, they still might be housed out there. We cannot, you know, leave those four buildings abandoned. But it's more to do projects sufficiently, especially --- and I'll go the other way. If Cane needed more painters, then we can all work together --- more painters, historically, would be at the City County Building perhaps. But we're not going to abandon the Canes, we just think it would be must more efficient.

CHAIR FINNERTY: Thank you. Also, on page 26, it's outstanding debt, fixed and variable.

MR. MCKAIN: Yes.

CHAIR FINNERTY: The blue is the variable. Is there a reason why in 2021 that our variable debt will go

up to ten percent?

MR. MCKAIN: Yes. And it had to do with the restructuring --- part of the --- when we did the refinancing last year, one of the elements was take the variable rate of debt on C50 which is coming due in the early years and move it back, I believe, six, seven, eight, nine and ten. And the reason being is because we're paying next to nothing on this debt. It's coming in at a couple base points a week. So basically it's almost like --- it's almost interest free because the interest rate are so low. And the idea was to take the new money, the refinancing of a C73 and take some of those principal payments and move them into those early years which were vacated when we took the C50 out.

One of the bankers at PNC came up with this about halfway through the process and it was just brilliant for this guy to think about that. Because when we take principal debt and move it forward, you cut down on your overall interest payments significantly so basically what you're doing is you're taking the debt that you have been paying in the latter years, even we had these very low rates from the last deal, they're significantly higher than the rates that we're paying on these variable rate debts. I mean, the highest yields that we're paying on the long bond are 3.8 percent and the rates on the variable rate debt are fractions of one percent. So if you take that debt and move it back where you're almost paying nothing and take the debt if you're paying higher rates and move it up into the early years -- - I think this is what, a \$2 million overall interest rate savings just from this one idea.

CHAIR FINNERTY: so it could be possible for us by 2021 to somehow refinance to get rid of this ---.

MR. MCKAIN: No, we wouldn't do that because we're paying next to nothing. I mean, as long as these rates stay low we'll let that debt stay out there. We're not going to bring that debt back because it's so cheap.

CHAIR FINNERTY: Thank you.

MR. MCKAIN: That really doesn't matter where the debt ends up. The fact is that it's pushed back actually allowed us to move the newer one, the 73 bond that we issued last year forward into '14, '15 and '16, if that makes any sense.

CHAIR FINNERTY: Yeah, it does.

MR. MCKAIN: It was like a \$2 million difference by doing that.

CHAIR FINNERTY: I'd just like to comment on TIFS for a moment. And there's no doubt that there's \$5.3 million debt. But we are the last legislative body that votes on it, too. Before TIF comes to Allegheny County Council it has to be voted on by the school district, by the municipality and finally by us. The main person that's giving the TIF is not Allegheny County. It's the school district because their taxes are the highest.

I'd also like to mention that in a TIF it's only what is built above the ground. The taxes are still being paid on the property, the same way they were before the TIF was even instituted. So there's things to think about besides the amount of taxes that they're going to get from wage tax, et cetera, et cetera. But that's the way TIF works. So the last person who votes on it is Allegheny County Council. And it will never get to us unless the other two government bodies have already passed it. So that's important to think about when you talk about TIF and learn for that matter. Okay? And we're not really foregoing any taxes because there wouldn't be any if there was no TIF. They would just pay the property taxes to TIF. So it's an economic stimulus. Thank you.  
Councilwoman Heidelbaugh?

MS. HEIDELBAUGH: Thank you, Chair Finnerty.  
May I also comment on TIF?

CHAIR FINNERTY: You certainly can.

MS. HEIDELBAUGH: I would disagree with almost everything you said, Mr. Chairman, because in fact, we are missing \$5.3 million of revenue because we purposely agreed not to take it and we are the last bastion of a no. The school district may say yes and the municipality may say yes but we said no, that TIF wouldn't go through. And as I pointed out to the Chief Executive, one of the forward thinkers in this area of the United States, Professor Richard Florida, put an editorial out in the Post Gazette and in the Tribune Review that your conclusion that these projects would not be built were it not for the TIFS is actually false. So may I have my two questions?

CHAIR FINNERTY: Yes, you can.

MS. HEIDELBAUGH: Thank you. Mr. McKain, we see an enormous amount of long-term debt in Allegheny County, the expenditures over the last two and a half years have

increased in Allegheny County. We have balanced the budget this year and next year based on one-time revenue source which is a \$10 million, you phrase it as you want from the Highmark reduction. We have not had a commitment from the Chief Executive that there will not be a tax increase after his election running for office in May of 2015. But my concern is, do you see, because we're balancing this budget's on a Highmark one-time revenue, that we are going to after the election see a tax increase?

MR. MCKAIN: I would disagree. The \$10 million credit that you're referring to is not in the 2015 budget. It's not contemplated. The \$10 million budget or credit that you're referring to in '14 is actually \$8.1 million in the general fund, \$1.9 million in the grants fund. To take a conservative approach, our intent at the end of this year is to assign that \$10 million in credits and not let it go to fund balance. So we're balancing it with one timers in '14 and in '15 the \$10 million is not also contemplated. It is not in this budget. The reason why we're doing that is because the consent agreed at UPMC and Highmark is so cloudy and no one knows what the future is, that in layman's terms we are tucking aside that \$20 million to measure next year to find out the impact on this county. So there are no one timers, there really is not.

MR. FINKEL: That money hasn't been earned yet. It's for a future event.

MS. HEIDELBAUGH: Do you anticipate a tax increase in '15?

MR. MCKAIN: I say that each budget has its own story. When we're here and we put together revenues and expenses I'll make those type of recommendations to the County Executive and then he will come forward to Council based on his decision. You saw the slide, we're about 2.1 percent expenditures each year. I think this Council and this whole county does a very good job on controlling expenditures. It's always looking for revenue so it's --- discussion, but I can't tell you that at this time.

MS. HEIDELBAUGH: Those are my two.

CHAIR FINNERTY: Councilwoman Danko.

MS. DANKO: Thank you, Mr. Finnerty. I'm thrilled to hear that you're hiring the architect. I was looking back when I was reading the article in the paper last week about, you know, the need for capital

improvements. And I remembered that it was like 19 months ago that the County Executive announced this commission that was going to be put together and they were going to take this long view and try to come up with money. And I'm wondering if they ever met or if they ever issued a report or if there was ever any money that came about because of that. So I'll start with that.

MR. MCKAIN: There were committees --- we put together some committees. I'm trying to remember there were there different ones. One was like systems, one was the envelope and the other one was esthetics. And our committees were very active. They had stakeholders that worked in this county, including their representative on Council staff. We used some resources that used to work here like Tom Donitelli and others. We took a tour down to Judge McVeery down at the federal courthouse to kind of look at the state of art things that Judge Manning was talking about. We put together ideas as far as systems and things that we would like to talk about and address.

So we put together what we thought were a list of items. And we did meet. And what we concluded was that --- and we had the Bar Association want to help, foundations that want to help, trying to work with our state legislature. That's where we concluded we all these ideas and these stakeholders but we needed someone whose hand was on the wheel to drive the car. And that's why I concluded and made a recommendation that the County Executive accept that we need an architect to kind of put those pieces together and then start getting drawings and getting costs that we can come to Counsel. So we did meet.

MS. DANKO: Is there any kind of a report?

MR. MCKAIN: We had, what I'll call, spreadsheets, like ideas when an engineer in a group would talk about this. We had the gentleman from the historic society.

MS. DANKO: Andy Masich?

MR. MCKAIN: No, what's the man's name, Mark Ziegler and those people. So they would give us ideas. So you know, we kept documents that we'll share, you know, with the architect. And I'm not sure if I'd call it minutes but we started putting together ideas like roofs, windows, systems, those type of things that we'll share with the architect who then can put some meat on the bones

and some drawings. I would think at least for me drawings presented for the state quarters.

MS. DANKO: And this is kind of another spear or question. I'm just wondering, and I don't know the answer to this and I should, you know, the County's bond rating has gradually increased. Does that track similarly or do we know. You know, as the city center of the county I'm just wondering.

MR. MCKAIN: When we go to the bond rating agencies, they primarily look at our financial statements, look at other economic indicators. I mean, I will tell you that, you know, they'll look around. If they see, you know, other significant communities struggling, they might factor that in because it could impact us on people moving in and out, spending money, those type of things. So they might take that but I don't think it's a very significant part of their analysis.

MS. DANKO: Because I would think that the economic indicators for the city would drive the region.

MR. MCKAIN: And they do. I mean, they do a report on the entire region as far as population, jobs, unemployment. And I'm sure the city and their activities contribute. But they do look at us as a county as a whole.

MS. DANKO: Thank you.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: My question has to do with page number 27. So let's say Donald Trump would show up today and say, I love Pittsburgh, I want to pay all your debt into the future, 2036, how much money are we talking about?

MR. FINKEL: You can't do that because there's covenants that are made to the bondholders.

MS. MEANS: I understand ---.

MR. MCKAIN: He would answer it that way. She wants to know what's the total debt.

MS. MEANS: Yeah. What's the total --- I know we have to tell Donald Trump I'm sorry because we can't pay --- but how much would that be; do you know? And I know I did ask last year. I want to know what the colors stand for, like I'd like to know, you know, what is --- like what we talking about?

MR. MCKAIN: Each of the colors represents a series.

MS. MEANS: But I understand that it's a number but it stands for some ---.

MR. FINKEL: That's principal and interest on each of the respective series that make up the total.

MS. MEANS: Okay. So there's no way to break it down ---?

MR. FINKEL: At the beginning of --- from 2014 through including 2037 the total principal outstanding is \$877.7 million and the scheduled interest is \$518.2 million. So it's over a billion dollars.

MS. MEANS: So you add those two things together?

MR. FINKEL: Yes.

MS. MEANS: All right, principal and interest. Okay.

MR. FINKEL: As I mentioned before, Councilwoman, the total debt that's outstanding is not seen as a negative by the people of the county, the rating agencies. They look at it as a positive. There's a lot of infrastructure in the county. It's a lot of bond issues. Every year the county is in debt. There's no --- you can't get around it. I --- you don't issue enough of them, you see what happens to a building like this, this magnificence structure work, moneys were simply not put in for corrective action. Look how many bridges the county has. We have probably more bridges in this county than any county in the state. And even though the county share is only five percent, we still --- you're still talking about a tremendous number of bridges. And we have a lot of buildings, a lot of parks projects.

MS. MEANS: I had another question. Come back.

CHAIR FINNERTY: Councilwoman Rea.

MS. REA: Thank you. When I was looking at the different departments, I guess the jail pops up, because you know, as one of the four highest. And my concern about that is when I look at their medical and it says division of jail medical services, I think it's close to a \$10 million contact. There's just been some issues about that. So I don't know, are we looking into that or was that like a possibly of changing or --- I know we have jail oversight board but I'm just asking you, do you think maybe in the future that might be renegotiated or there might be a change?

MR. MCKAIN: The contract, it is a very challenging contract. I came in 2012, and you know, I was

here a couple days and people were telling me about the previous vendor and some of the challenges and shortcomings. So we went through what I thought was a very long process of a year of doing requests for proposals. And we put together a committee that included the judges, Department of Human Services, the jail, two medical doctors. We hired a consultant. And also someone from the Philadelphia Corrections to evaluate proposals. And I'm just telling you this so --- it was a long thoughtful process. And so you know, we secured, you know, I get asked this a lot. And it is challenging. It is a very challenging service contract. It's two plus two --- what do I got Dennis, two plus three?

MR. DAVIN: Three.

MR. MCKAIN: Two plus three. We get two years and then after that we have three one-year options. So they've been here a little over a year. We evaluated. They were the lowest --- we had about I don't know how many bidders but it was more tied to their performance and capacity. But it is challenging. We're working through --- when you work through a contract and if you count the pays it's about \$11 and a half million regarding alcohol plus there's direct medical. We have a transition from a vendor that was there for ten years and then transfer over. I can tell you it's not easy. And some of the --- many of the employees were interviewed and many stayed, some were unhappy. We're still struggling, still challenging them, you know, to meet their requirements while we, you know, monitor that. But I think everyone wants to get better and we're still --- we're about a year but it's been a hard transition. So we have them for at least another year to try to work through it.

MS. REA: I just wanted to ask that.

MR. MCKAIN: It's a fair question.

MS. REA: It's a contract and I know there's been some issues raised. And you know, the jails' expenses is one of the highest. Thank you.

CHAIR FINNERTY: Maybe we should take a break for about five minutes.

SHORT BREAK TAKEN

CHAIR FINNERTY: Some Councilmen are still eating. We're going to move Councilman Baker.

MR. BAKER: Thank you very much, Mr. Chairman. Just one question. I'm looking at the operating fund expenditures on page 14, the percentages, the variances,

the two largest are the 86 percent for fringe, 63 percent for repairs and maintenance. I'm guessing that fringe went up so much because of healthcare but I was just wondering if you could clarify that. Is it healthcare, is that reason why ---?

MR. MCKAIN: Healthcare is certainly a driver but when personnel goes up, for every dollar that goes up there's associated fringe benefits, mandatory FICA and pension contributions. So that also adds to it, FICA, Medicare, pension and then medical. Those are the big drivers.

MR. BAKER: And then with the repairs and maintenance?

MR. MCKAIN: I would say that what we're trying to do is to allow more resources in repairs and maintenance as opposed to using capital dollars that we might have done in the past for repairs. It's more appropriate to do repairs out of operating as opposed to bond money. So we're trying to put in there what we were talking about, Facilities Management having more resources. So that's really the emphasis.

MR. BAKER: Thanks, Mr. McKain.

MR. MCKAIN: Sure.

CHAIR FINNERTY: Councilman Palmiere?

MR. PALMIERE: Thank you very much, Mr. Chairman. Mr. McKain, there's a perception out there --- and this came out about park rangers replacing the police in the parks. There's a perception out there that we're going to abandon the parks completely, that there aren't going to be any policing in the parks at all. Can you elaborate a little bit as to what you think about, you know, may be happening here?

MR. MCKAIN: Yes. The rangers we would like to be ambassadors not to have arrest powers or firearms, conduct classes, be the eyes and ears for our police. But working with Superintendent Moffatt at the direction of the County Executive, input from Mr. Hickton and Mr. Zappala, that we know that we have to keep the parks safe. Although there aren't a lot of calls that are major crime, we know that we have to safeguard them to have provisions to be able to respond or patrol. And those are the types of models that we're working through. We're not done with that yet. But we know that the parks have to be covered in some way while we take those resources to help us in areas of crime. So we're certainly not going to safeguard

parks but, you know, we still have to come up with a model.

MR. PALMIERE: So there still aren't going to be police officers stationed in North and South Park?

MR. MCKAIN: That's a model that we're considering along with others, yes.

MR. PALMIERE: I see. So you haven't arrived at any real conclusions?

MR. MCKAIN: No. We're in the infant stages of sharing information, coming up with different models, again listening to the District Attorney, the County Executive, Hickton, our police association, Superintendent Moffatt has a lot of ideas. So we're not settled yet, that's why I call '15 a transition year. You'll see that the police budget, you know, we're not going to do this on January 1st. When we're ready and everyone agrees that it makes sense, then we're going to roll it out.

MR. PALMIERE: So you have no particular timeline?

MR. MCKAIN: I would like to have it transitioned in '15. As manager I would love to transition it somewhere late in '15, for full implementation in '16 would be my goal.

MR. PALMIERE: Thank you.

CHAIR FINNERTY: Councilwoman Heidelbaugh?

MS. HEIDELBAUGH: Thank you, Mr. Chairman. There's a disturbing article on the front page of the Tribune Review in regard to a grant, state grant that was given to a company which was shepherded through that process by the County Redevelopment Authority and I assume brought to the Budget and Finance Committee of which I sit. He received \$2.5 million for a movie studio in McKees Rocks. But prior to the county shepherding him through the process, they agreed to do so because he agreed to make his outstanding debts with the county whole and agreed to new payment terms to pay off the loan. And court records show that he owed \$32,000 back taxes on two properties on West Carson Street. And in the past two years he owed Allegheny County, Pittsburgh, McKees Rocks and Pittsburgh School District a tax lien. And he failed to repay \$110,000 loan the county granted in 2008. Where did we fail when we became involved in a situation in which we were working on behalf of someone who owed so many taxes to the county?

MR. MCKAIN: As the article mentioned, it went

through one of our authorities so with your permission I'm going to ask Dennis to respond. Dennis?

MR. DAVIN: Can you hear me? Can you state your question again?

MS. HEIDELBAUGH: No.

MR. DAVIN: Can you read that question ---?

MS. HEIDELBAUGH: Where did we fail when we worked with this company and the state and made a new arrangement with him but didn't notify any of the people on the Budget and Finance Committee that would have approved this that he owed this much money in taxes? Do we have in place prior to these grants and special accounts that we often see in the budget, are we told whether these people owe back taxes?

MR. DAVIN: First of all, we didn't fail, number one. Number two, Governor Corbett gave this gentleman \$2.5 million.

MS. HEIDELBAUGH: So you are going to stand in front of us and say that we did not participate in any way or Allegheny County did not participate in any way with assisting in those grants?

MR. DAVIN: No, you're saying that.

MS. HEIDELBAUGH: Are you saying that?

MR. DAVIN: No, you just said that. I didn't say that. What I said was Governor Corbett provided \$2.5 million to this gentleman.

MS. HEIDELBAUGH: Did Allegheny County assist this grant?

MR. DAVIN: There is no grant just yet. They've asked us, the Corbett Administration asked us to apply for the grant on this gentleman's behalf, on their behalf.

MS. HEIDELBAUGH: How much work have we put into this?

MR. DAVIN: On what, just this grant?

MS. HEIDELBAUGH: Yeah.

MR. DAVIN: Very little.

MS. HEIDELBAUGH: Has it been brought to the Budget and Finance Committee?

MR. DAVIN: No, not for this. No, this goes to the Redevelopment Authority of Allegheny County.

MS. HEIDELBAUGH: And how much time has been spent on this, you don't know?

MR. DAVIN: On this grant, no, I did know and I answered your question, very little.

MS. HEIDELBAUGH: What does that mean?

MR. DAVIN: Do you mean how many hours we spent?

MS. HEIDELBAUGH: Yes.

MR. DAVIN: I don't know, very little.

MS. HEIDELBAUGH: And what are we doing in terms of Allegheny County to recoup all this money that this gentleman owes us?

MR. DAVIN: We are working with this gentleman, actually part of the article is correct. We're working with this gentleman to restate the loans. We've actually restated the loans for him after we sued him and went after him to get the money paid back. We've restated the loans. One of the loans that he has with us right now current. One of the loans is still delinquent.

MS. HEIDELBAUGH: How delinquent?

MR. DAVIN: \$16,000 delinquent, four months.

MS. HEIDELBAUGH: And so are you personally involved in this?

MR. DAVIN: Yes. Absolutely. I'm personally involved in everything at the Redevelopment Authority.

MS. HEIDELBAUGH: And so have you recommended that he get this grant?

MR. DAVIN: Absolutely not.

MS. HEIDELBAUGH: Have you said no?

MR. DAVIN: No, I haven't said that. As I mentioned, the Corbett Administration is providing this grant.

MS. HEIDELBAUGH: I heard you. I understand what you're doing.

MR. DAVIN: You understand --- I'm sorry?

MS. HEIDELBAUGH: I said I understand what it is you're doing.

MR. DAVIN: I'm stating the truth. Thank you very much.

MS. HEIDELBAUGH: I understand what you're trying to do ---. I don't appreciate it at all.

MR. DAVIN: I don't appreciate your line of questioning, but go ahead.

MS. HEIDELBAUGH: I have no further questions because I am not going to engage in this. You're being very disrespectful to me.

MR. DAVIN: I think you're being toward us.

MS. HEIDELBAUGH: This is on the front page of the paper.

MR. DAVIN: Do you believe everything you read in the paper?

MS. HEIDELBAUGH: That's not the way you want to treat a County Councilmember.

CHAIR FINNERTY: Councilwoman, do you have another question?

MS. HEIDELBAUGH: I have a request from the CHAIR FINNERTY --- request to the CHAIR FINNERTY.

CHAIR FINNERTY: Go ahead.

MS. HEIDELBAUGH: I don't believe that it was proper for that employee of Allegheny County to speak to me in the way that he spoke to me. And I believe that had it been any other Councilmember that asked those questions, you would have admonished him and told him he should not have spoke to me that way.

CHAIR FINNERTY: Well, I wouldn't have but no matter who. Is there any other questions? We'd like to move on to the capital budget. Go ahead, Councilwoman Danko.

MS. DANKO: I just had one more question. And I realize we're being time sensitive here and getting to the capital budget. When President Judge Manning was here yesterday he talked about the three-month freeze and I mentioned it earlier when Treasurer Weinstein was here. I'm wondering if the administration has any kind of similar policy in place, I would imagine that you do. And then my second question is, when you showed us this chart, this is --- you said these are operating funds. I'm wondering if there is a similar chart from grant-funded positions?

MR. FINKEL: There's not, it would have to be built from scratch. I guess the answer is we've only just done operating, we don't have any data that we built.

MS. DANKO: Could we look back for five years at some point just to see --- I mean, we should be able to come up with that.

MR. MCKAIN: Yes, we could.

MS. DANKO: And provide it to the CHAIR FINNERTY.

CHAIR FINNERTY: And I'll get it.

MR. MCKAIN: And as far as replacing, it's not a formal policy when positions are open, they have to request, we have a lot of terminology, a requisition to fill. It goes to HR and the Budget Office and then to me. We contemplate and talk to the department if there's a specific need. Now if it's the wintertime and the snow's here, we usually try to make sure that we have our drivers

and trades when there's anticipated retirement to do that. In other departments when professionals or clerical go, we will often hold back and try to examine --- and it does take time to get professionals. We have to post the job anyhow and we want to go through a meaningful process. So it really depends on the department. If it was caseworkers at DHS they automatically go because of the need that they have. So it really is a case by case, not a formal policy.

MS. DANKO: Thank you.

CHAIR FINNERTY: Anything else? Councilwoman Means?

MS. MEANS: Yes. I was really happy last night to learn that the Sheriff's Department is having active shooter training. And they did mention that they could use similar finances to continue their active shooter training. And I was wondering, is there any money --- I know Mr. McKain has spoken to it several times. Is there a line item in our budget so that the county employees throughout our system can receive active shooter training?

MR. MCKAIN: And I know we've talked about this. And when Sheriff Mullen mentioned active shooter, it's for his sheriffs that literally do that. Superintendent Moffatt's county police do that. That's for like tactical when they're out. And I think what you and I had talked about was, you know, the employees and visitors of this building, that's what he had talked about. So I told you that I'm happy to report that we finally were able to hire a safety officer. And he's going to be introduced to the departments in mid November. We have had preliminary with Superintendent Moffatt who oversees the building arts in this building and throughout our campus. And Sheriff Mullen's expertise because he really is in many ways the security of this building, particularly with the courts.

So we've talked to them about ideas because they're experts in the field in the area that you were talking about. When he talked about active shooters, I think it was perhaps more broad in his definition. But we want to take that information along with the safety officers and do the type of things that you and I talked about as far as good communicators. You know, they often talk about hide/run/fight and those types of techniques. So we're hoping by the end of the year our safety officer along with our departmental directors, Superintendent

Moffatt and Sheriff Mullen kind of craft up a criteria for next year.

MS. MEANS: So we don't have to have a line item ---?

MR. MCKAIN: We really don't because Sheriff Mullen and Superintendent Moffatt are willing to give their resources as needed to train us, kind of like training the trainer. So I know the courts had mentioned that they engaged somebody but I thought that with Superintendent Moffatt and Sheriff Mullen that we had resources that were appropriate.

MS. MEANS: I wonder if the court system was here, they said they were videotaping their training, if they might share with us as well.

MR. MCKAIN: They may not. I will tell you in talking to them their training might be a little different than some of our codes and procedures. So we have to make sure we're not confusing the employees, you know.

MS. MEANS: Sure. My other question has to do with the park rangers. I was glad you said, well, clarified they won't have arrest power, that they won't have arms. But will they be union workers subject to collective bargaining?

MR. MCKAIN: You know what, in this environment, that's a fair question. I don't know that. I mean, at this point next year it's to hire what I'll call management to craft it and then also some dollars for seasonal which are typically not union. But we're going to have to examine that for full implementation in '16. Some models across the country are, some are not.

MS. MEANS: So you don't know right now what their training will be or who they'll report to?

MR. MCKAIN: They're going to be in a division of the parks. So to answer your question, they'll be ultimately reporting to the parks director but we'd like to hire what we're calling a lead ranger on our research that we've done to kind of craft that vision and then start spreading resources around him or her.

MS. MEANS: Thank you.

CHAIR FINNERTY: Any others? We'd like to move on to the capital budget then, Proposed Revenue Sources, Capital Budget and also after that I guess we could do the Operating Budget Revenue but I think we have to --- committee. We need Greg Casciato, Senior Deputy, and Adam

Lentz who's the Capital Budget Manager will be coming up to address any and all questions. Thank you.

Thank you very much for your service, Warren, you do a great job.

If you have your Comprehensive Fiscal Plan, the Capital Budget is on page 148. It's in our binder. What page is the Capital Budget on again?

MR. CASCIATO: If you have the CFP it started at 143 but I'm not sure ---.

MR. LENTZ: For us it's in the very last tab.

CHAIR FINNERTY: Very last tab. Okay. So it's the last two pages in our budget book. And in the CFP you're going to start on 143, you said?

MR. MCKAIN: I'm just going to begin with 143 because it kind of sets things up and then I'd go to the numbers if that's okay.

CHAIR FINNERTY: That will work.

MR. MCKAIN: Thanks to Adam and Greg for their hard work in all the departments and County Council for you know working with us on a healthy capital improvement plan. On 143 you'll see up at the top in the first paragraph the '15 Capital Budget, \$79.87 million, 98 infrastructure and Capital Improvement Projects, requires \$36.5 million of bonds, \$21.69 in federal and state bridge road reimbursements and about \$21.7 million in other finances to support all projects planned for '15.

Now I'm flipping ahead and we kind of graph that on 146 where you'll see how this program is broken down by program area with bridges, roads, Port Authority, parks, buildings and feasibility studies. Then on the right you'll see, you know, what the funds are for that. County bonds, about 46 percent, \$36 and a half million; the reimbursements that we receive, we get primarily for our bridge; 80 percent federal, 15 percent state. So we do have to front the money but when the reimbursements come in it's netted to five percent for county resources. And then the other makes up about 27 percent.

And there's another schedule on 148 that kind of shows it a different way, the total by program area, bonds, reimbursements, other. And then we get into the projects that begin on 149 and go to 151 and then behind that are the individual capital budget blocks. The bridges as we say, you know, are the city and probably county bridges, over 520. And you'll see that we have about \$1.7 million in bonds and we're reimbursement by \$24

and a half million. Tenth Street Bridge, I just want to talk about that because that one's in phase two. We're doing the painting and the asphalt. You'll see a lot of activity there in '15. And then a little bit down below I'll point out Sixth, Seventh and Ninth, the sister bridges. You see that Sixth and Ninth are in the design phase, that's why those dollars are lower. And then Seventh we're hoping to bid late in '15 to get that bridge going. Each one of those are going to be done in subsequent years.

The roads, lateral support projects, it's I guess a fancy word for like hillsides. We have a lot of hills that need addressed in this county but frankly, in talking to our engineering division, it continues to grow so there's healthy balance in there, along with the reconstruction program, in-house paving. We also have bike lane and trail improvements. We have \$400,000 in bond money and we're going to apply for a grant through the SPC if we're able to get that support, a Smart Transportation Grant for some Neville Island area bike lanes. Under Port Authority you'll see the matching funds, the bus, rapid transit and pedestrian bridge project which are all coming out of --- I'm sorry, rapid transit and pedestrian bridge are out of drink tax and the Port Authority is some bond and some of the drink.

Turning to the parks, I know we talked about this a little bit earlier, I'll point out Deer Lakes Improvement is, a portion of the bonus is 2.133336. you may recall in the lease there was a parks capital improvement fund, if I get this right, \$600,000 for five years. So this represents when you see North Boyce Run, Harrison Hills and Hartwood Centers and White Oak it's taken two years of that just dividing it by the parks, including Deer Lakes.

Some other ones that jump out are South Park Ice Rink Rehabilitation to finally correct that ice rink to the level that we want it for our customers. Going down to the buildings, I had alluded just to clarify from yesterday with the judges here, courtroom improvement projects, that's \$100,000. Courtroom --- down a little bit further than that is courthouse improvement projects, \$400,000, you know, full disclosure. We use that not just for the courtrooms, we use it for other things so I just wanted to make sure I was a clear communicator with Council.

If you go to equipment, we are giving the courts some equipment upgrades, \$200,000. They did ask --- Judge Manning said there was \$4.2. There were dollars for equipment because he wants to upgrade sound and things like that that could potentially be utilized. Facilities Management bucket truck, I'll just point that out. Electricians, our painters use that. It's about --- you know, it's coming up on 17, 18 years old. We think that that will be a good acquisition. The other one I'd like to talk about is MISE Discovery Phase One, \$400,000. We had talked in committee about e-mails and right to know and things like that. What the \$400,000 does is allow us to more appropriately, I should say more efficiently, search when there are right-to-know requests or discuss it at the committee. We have like legal holds, I think they're called, legal holds.

So when we get lawsuits and someone --- litigation holds, and they hold it, that means that we have to, you know, make sure that everything is retained and we look pursuant to whatever they are asserting. And then we have right-to-knows. And Jared's here, how many do we get a year; does anyone know? It's a significant number and they ask for a word or something, it takes an enormous amount of time. This system will allow us to appropriately search for words and litigation holds or right-to-know requests.

So we prioritized this is the next step to, you know, to address that in our computer systems. I know during a committee meeting it was discussed about the e-mail retention. And we're still exploring that. We're exploring is there a cloud solution. There's a traditional one that we had presented to Council which was pretty expensive. But we believe this should be the first phase so we can actually search right now for words. I just wanted to put that one out. And I guess any studies, comprehensive plans and storm water management plan. I just wanted to touch on some, and that's our program for '15.

MR. CASCIATO: I'm just going to amend some of the information that the County Manager provided for the bridges, for the larger bridge projects, which would be the Sixth, Seventh and Ninth Street Bridge, South Tenth Bridge, Rankin Bridge, the Mansfield Bridge, the funding is 80 percent federal, 15 percent state and 5 percent county bonds. But for the smaller bridges, and we do own

an awful lot of smaller bridges, there you'll see on page 149 things like Pine Creek Number Five, Robinson Run Number Two, McClarens, on those the county's participation is 20 percent, not 5 percent. So for the smaller bridges, when we can't get all that federal and state money, we've got to kick in a lot more money. And those bridges are just as equally important as some of the larger bridges.

CHAIR FINNERTY: Thank you. Questions?  
Councilwoman Heidelbaugh?

MS. HEIDELBAUGH: Sure. On the capital budget the first question I have is --- it's cycling and trail improvements on page 159, bottom left corner, the one from \$6 million. On Penn Avenue when you're starting at the Convention Center and you're heading towards the Gateway Complex, there's the left portion of the roadway has cones put out and markers on the road. Is that permanent?

MR. MCCAIN: Am I correct to say that's a city initiative. So I'm really not qualified to answer that.

MS. HEIDELBAUGH: So what is this for for this \$1.6 million?

MR. CASCIATO: Anyone have any details? Why don't you stand up.

From McKees Rocks, Neville Island applied for a grant with the SPC to fund this project. That's what where were looking to get the other money. This will be -- -- we'll use it for planning, study, final design and construction.

MR. MCKAIN: I think if I may what you're asking is do we have any more details of the vision or plan?

MS. HEIDELBAUGH: Yeah. I mean, what is it going to be used for.

MR. MCKAIN: If I may, because someone had applied for a grant in another department even though the public works would be leading that, if I may, can I get that information and get back? I think I know what you want.

MS. HEIDELBAUGH: I have a concern about putting that much money in when I think we have so many other things that are so much more important. I like bikes, it's nice, it's great. It seems like your compatriot has a thought.

MR. MCKAIN: What he is saying to me is the grant ---.

MS. HEIDELBAUGH: I know what he was saying ---.

MR. MCKAIN: I have this great talent. And what he is saying is that the grant is only for bikes. The 1.2 ---.

MS. HEIDELBAUGH: So this is a grant, the \$1.6 million?

MR. MCKAIN: No. If you look at that budget block, it says \$400,000 in bonds and 1.2 if we get it it would be from the SPC, Southwestern Pennsylvania Commission, what's called the Smart Transportation Grant. So we would only be putting in \$400,000.

MS. HEIDELBAUGH: When you say \$400,000 and it's a bond, that's a new bond, old bond?

MR. MCKAIN: You know, when we issued the debt that Council approved, we issued for two years for 15 ---.

MS. HEIDELBAUGH: You're taking it from what we've already ---.

MR. MCKAIN: Yes, what we already issued, yes.

MS. HEIDELBAUGH: And you can't get that 1.2 ---?

MR. MCKAIN: They want out match. I mean, that's the way a lot of things work.

MS. HEIDELBAUGH: I think that's more than two but ---.

MR. MCKAIN: Can you follow up and give us a --- I know where it's at.

MS. HEIDELBAUGH: I understand it better now. I thought it was more of a direct outlay of 1.6.

MR. MCKAIN: It's to leverage those dollars to ---.

MS. HEIDELBAUGH: It's really four.

MR. MCKAIN: Yeah, to be more healthier and like you said ---.

MS. HEIDELBAUGH: Got it. Do you want to move on? Do you want to move on or can I have another one?

CHAIR FINNERTY: No, you can have another question.

MS. HEIDELBAUGH: Last year when the County Executive asked for a million dollars in his September address for rapid transit, it kind of came to me as a surprise. And he noticed --- he told us again in this September's address that he was going to ask for another million. But as I remember it last year, and I think my memory's blocked so help me with this, I thought there was a controversy that we should not have been taking a million out of the capital budget and giving it to the

Port Authority. Now, you may disagree with the controversy but was that the controversy?

MR. MCKAIN: I really don't. I would say we thought it was appropriate use of the drink tax for an initiative that ---.

MS. HEIDELBAUGH: Oh, that's it. This is drink tax money.

MR. MCKAIN: Yeah, maybe that's it.

MS. HEIDELBAUGH: That's it. So isn't there parameters on the drink tax?

MR. MCKAIN: There are, transportation related is what he's telling me. And you know, the law department, you know, reviewed it and this was appropriate last year and this year.

CHAIR FINNERTY: Councilwoman Danko?

MS. DANKO: Thank you. I know we've talked a lot about the courthouse, but you know, I go over to the County Office Building quite frequently. I went to the Elections Division sometime this week to drop off some absentee ballot applications and I swear it took ten minutes for the elevator to get to the sixth floor. What kind of plans do you have for the County Office Building?

MR. MCKAIN: In general, if I may, I'd ask the Director to maybe talk some things through that he has planned for next year. Steve?

MR. SHANLEY: Yes.

MR. MCKAIN: Do you want to come up, and you know, I know you're actually housed over there, maybe you can talk about some things that you'd like to do next year and the needs you have.

MR. SHANLEY: Good evening. In the COB we'd like to do a renovation as far as modernizations of the elevators. There's monies that we've set aside for elevator medications. There are also monies set aside for upgrading the heating system so we can start going into there and start repairing and replacing outdated equipment as we've seen in other buildings around the campus --- county. But around the county, as you see, we have a lot of buildings that need a lot of attention so that's where we're going to start there. We've actually started with the cleaning processes and we've been doing work as far as the carpeting, general maintenance, deep cleaning buildings. And we're just trying to get these buildings back to the shape that they should be in. So that's our plans right now. The roof's in good shape. The

mechanicals are what needs to be addressed. The elevators, we do have some issues that we're working through right now. And that's throughout the county. But I like it. I enjoy it. This is my blood. This is what I love to do. I love buildings. This is a good challenge for me.

MS. DANKO: Thank you. Can I use my second question?

CHAIR FINNERTY: Sure, you can.

MS. DANKO: Every time I run into the Mayor from Munhall and he gets the County Executive with the same question, the flyover to the Waterfront. And the County Executive tells him every time, we're going to get there, we're going to get there, we're going to get there. Is there --- can I tell him there is anything in this budget that would address the issue of improving the flyover to the Waterfront which has been a problem since the day it was built? That's a different one.

CHAIR FINNERTY: What, I thought you were doing --- this is a new one?

MS. DANKO: This is different. This is the other --- that's the West Homestead end, this is the Munhall end.

CHAIR FINNERTY: Oh, I don't know anything about that.

MR. MCKAIN: You want to know if there's a specific project for that, is this another study? I don't think I'm familiar with it.

MS. DANKO: Apparently, I mean, you might want to talk to the County Executive about this, that the Mayor of Munhall has repeatedly asked him, I don't have anything in writing, but it would be good to have an answer for him when he asks his question.

MR. MCKAIN: And because I'm not prepared to answer I would like to research it and get back.

MS. DANKO: And I appreciate that.

CHAIR FINNERTY: Why don't you leave something on it so we can ---.

MS. DANKO: I'll be happy to. I'll show you the map.

CHAIR FINNERTY: Thank you. Councilwoman Means?

MS. MEANS: My question has to do with roads and bridges. And I know that I've asked for this before and we got a partial list. But I'd like to see the roads and bridges projects that were completed this year and your

plan for next year. And I mean, when you say there's so much money for paving or reconstruction, you know, I need the breakdown to know physically what roads that you're counting on doing.

MR. MCKAIN: Just to respond, and I did send a partial list. But in an e-mail I want to say we're still doing, I think we're at like in the east today because they're trying to do it before the weather changes. And I hope all Councilmembers know that we try the best that we can to finite resources, and you know, you and I talk. And we were able to Horning and Necroply (phonetic) and Old Bethel and we did Old Freeport and Campbell's Run. And then we do the patching. So I thought I wouldn't give you what was done this year until I knew they were completely done so you'd have a full inventory for '14. And then for '15 the only thing I had to report was that there were two that were out for bids, Wagner was one of them, McMonigle (phonetic) and we have many many needs for reconstruction. And our team will now be converting to ice and snow response. They'll gather data this year and a little in '15 and then we'll make decisions. But I don't have a list that we continue to assess, we're just ending this year's program.

MS. MEANS: Well, I just remember in our discussion previously you said that if --- reconstruction has to be bid out. So therefore, your bids for reconstruction have to happen in the fall or the spring.

MR. MCKAIN: I would respectfully disagree. I could reconstruct roads next year if I'm dating it in the first three or four months of next year.

MS. MEANS: Well, I said it could happen or could happen ---.

MR. MCKAIN: I mean, ideally, the two we have out on the street, I mean, they were ready to go. And so we'll take those bids and we'll do them. But we can do more. Even this budget has odd dollars in it that are only available in '15.

MS. MEANS: Well, I'm just wondering if there was ever a study done --- like how do you estimate how much it costs to do reconstruction, do you have a dollar amount and is that so much money per mile or ---?

MR. MCKAIN: They use a lot of factors, length, width, ending point, beginning points. They look at material costs, how will they escalate, how were bids coming in. And that's sometimes a guess because you don't

know how they're going to come in, you try to put a contingency. Take a look at current contract dates, how materials are going and then the length, how depth it is, those type of things and our people assess, you know, our engineers in our districts who are out all the time.

MS. MEANS: So when you say they, they are your employees, county employees are assessing and putting like just a dollar figure, ballpark, on like what constitutes a road.

MR. MCKAIN: Right. There's a lot of stakeholders. And a lot of stakeholders are citizens, elected officials, communities talk about roads, we have so many roads demands. So a typical process is we have districts and they'll go out and the Engineering Division, Public Works, are asked to go out and assess roads, take some calculations, get some information, some data. Then our engineers review that. And then we'll take that data and try to cost it out based on current conditions and future costs.

MS. MEANS: And they probably have something like a plan, like write some kind of prioritized plan of this. And we can't afford all these roads but we're going to put these in order of how we ---.

MR. MCKAIN: I mean, we try. And priorities as you know are interrupted sometimes because of utility work and other things like that going on. Many, many, many are at the same priority that we just don't have the money for.

MS. MEANS: Thank you.

CHAIR FINNERTY: Councilwoman Rea.

MS. REA: No questions. Thank you.

CHAIR FINNERTY: Councilman Palmiere?

MR. PALMIERE: Boy these are long sessions. The situation down at the old South Park, I was down there the other day and I was amazed at how much progress has been made. It really, really looks nice. I don't think that we really ballyhoo enough on --- you know, I don't think we've blown our horn enough here about some of the projects that we do and we get done and done on time and that are a huge, huge success stories as far as I'm concerned. And my other comment is I use the Mansfield Street Bridge a lot going down to the trail. It's amazing, the transition. That is an absolutely beautiful --- that should be the model. That's the picture we should put up there to show that there are things that get

done in a positive fashion. And it takes time. That took almost three years. But it's well worth the effort.

MR. MCKAIN: Thank you. They did a great job. And walking in today Councilmember Macey said the same thing because I guess that's his area. And I thought they did a great job and Rich said the same thing.

MR. PALMIERE: Oh, my, yeah. I mean, it's wonderful. And it's just like you get something positive said here and somebody --- you know, your tax dollars at work, people will say, why are you doing all these taxes, so that's what we're doing.

MR. MCKAIN: On behalf of all the employees, particularly the Public Works for that comment, thank you, and Parks.

CHAIR FINNERTY: Councilman Baker?

MR. BAKER: Councilmembers Heidelbaugh and Means covered actually my three questions, bus rapid transit, bike lanes and the priority processes. So I think that both of them asked the questions. Just thinking about BRT though, is this going to be --- as we're thinking about future capital budget is this going to be in your opinion a big part of our future?

MR. MCKAIN: I've attended meetings. These are ballpark numbers. Port Authority, I think, is here tomorrow. And I might be off but it would be in like the \$200 million range mostly, like very significantly federal dollars? We'll probably talk about that tomorrow. This is money to support the design and the study and things like that. But that's a fair question. I don't know until we get the model. We're going to have to continue to contribute.

MR. BAKER: Thank you.

CHAIR FINNERTY: Councilwoman Heidelbaugh?

MS. HEIDELBAUGH: Thank you. The first question I think I asked you on the operating was about this Deer Lakes money and now we're into the capital. And we've got \$2 million plus the 133 to Deer Lakes. So what is the justification besides the obvious which is the drilling under there. Besides that reason, what is the justification for giving Deer Lakes Park \$2 million?

MR. MCKAIN: The County Executive felt that since the drilling needs actually in that park, that it would be more appropriate that they receive a significant lion's share. So this is his proposal for Council. That's his thinking to answer your question.

MS. HEIDELBAUGH: Is there any other reason?

MR. MCKAIN: All the parks as you know have \$120 million in deferred maintenance. But it was his philosophy that because that park was there and all these parks need work, but since the drilling it was appropriate to put the lion's share

MS. HEIDELBAUGH: Just so we're clear, there's no other reason other than he stated he promised it and you say that it's priority?

MR. MCKAIN: I stated it's a priority?

MS. HEIDELBAUGH: Whatever you just stated. We'll ask the court reporter ----.

MR. MCKAIN: I didn't mean it like that. I meant that it was his approach that it was appropriate, we're going to get the significant, yeah, as far as I know.

MS. HEIDELBAUGH: There's no other reason that you know of?

MR. MCKAIN: Not that I can think of, no.

CHAIR FINNERTY: Councilwoman Danko?

MS. DANKO: I want to talk about computer services a little bit. You talked about the \$400,000 in there and it would help with right-to-know requests, et cetera. And at one of our meetings you --- someone alluded to the fact that we are now putting the Allegheny County Health Department on the county server. I'm wondering how that got decided and why we did that. Because there's so many other things that I would think would be a higher priority?

MR. MCKAIN: There are competing projects and initiatives. The Health Department under the previous director made the decision not to be on ours. And I just think it's appropriate. They need support. Our DCS is going out there. It's a different system. It's more efficient that we have our licenses, our servers all housed under one as opposed to over there. Also, quite frankly, I think it's a visual that they are the Allegheny County Health Department. And I don't know if you'd know that seven years ago looking on the website. I think that they should be in sync with us. And it's something that I've been wanting to do, Doctor Hacker agrees. And their computer people now are in sync with DCS. We can support it more and they could help us on ours. So it's more of a philosophy. And that's one of the main issues.

MS. DANKO: They report to the Board of Health. The Port authority is not on the Allegheny County Health -- I mean Allegheny County server?

MR. MCKAIN: That is correct.

MS. DANKO: So there are agencies, most agencies that report to an authority or separate board, they're not on our server. I'm still trying to figure out why the Health Department.

MR. MCKAIN: Well, because they're one of my departments. The authorities are under the Municipal Authorities Act so I do think there's an arm's length type of relationship like the Port Authority, Airport Authority and things like that. And I have 18 departments and that's the only one that isn't there. And I think it's appropriate for a lot of reasons. It's not to distinguish between them and the authorities. It's a department even though they have a board, it is state structure. So that was my intent to do it that way. And she agrees, she likes the support of DCS and we all solve problems and work on projects together. They helped with Live Well Allegheny, DCS actually ruled that out because they had the resources to help.

MS. DANKO: I think we have different priorities but that's --- we can agree or disagree. Thank you.

CHAIR FINNERTY: Councilwoman Means?

MS. MEANS: I don't have any more questions. Thank you.

CHAIR FINNERTY: Mr. Palmiere?

MR. PALMIERE: Likewise, Mr. Chairman.

CHAIR FINNERTY: Councilman Baker?

MR. BAKER: No.

CHAIR FINNERTY: I have no other questions for you either. Anyone else have any questions? I believe we covered everything.

MS. DANKO: At some point since we're talking about computer services, and we never --- there's no real e-mail retention policy in the county. And I'm very happy that you're looking to upgrade that and be better able to respond to right-to-know but I really think and I think hopefully most of my colleagues will agree, especially given what's happening in the state is that we have to get some kind of e-mail retention policy, And I would really like to work with the administration to come up with something so I'm hoping that we can go down that path in the new year.

CHAIR FINNERTY: The public hearing is adjourned.

PUBLIC HEARING ADJOURNED AT 8:15 P.M.

CERTIFICATE

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.

A handwritten signature in cursive script, reading "Danielle Olin", written over a horizontal line.

Court Reporter