

December 4, 2012 – Public Hearing – Proposed Tax Increment Financing for Lord Corporation Project in Summit Township

Mr. Fatica, Chairman, called to order a Public Hearing on the proposed Tax Increment Financing for the Lord Corporation Project in Summit Township at 5:30 p.m. in the Erie County Council Chambers, Erie County, Pennsylvania. Following the Pledge of Allegiance, the County Clerk called the roll:

Members Present: Mr. Fatica, Chairman
Mr. Giles, Vice Chairman
Mr. Cleaver
Dr. Foust
Mr. Giles
Mrs. Loll

Members Absent: None (Mr. Beeman removed by Common Pleas Order 12572 of 2012)

Also Present: Douglas R. Smith, County Clerk
Thomas Talarico, Council Solicitor
Jim Sparber, Director of Finance
Sue Ellen Pasquale, Manager of Accounting

December 4, 2012

Katrina Smith, Senior Vice President, Erie County Economic Development Corporation, provided a fifteen minute overview of the plan. Detailed information is available in the County Council Office.

Hearing of
The Public

Jack Stull, Waterford, disputed some of Ms. Smith’s overview. He noted that her organization will collect about 10% of the money coming in and provided figures regarding the funding. He noted that in addition to the \$10,000 per year they will receive for handling the plan does not include additional costs they are permitted to charge. He believes those costs should be borne by the agency. Mr. Stull does not disagree with helping Lord Corporation; it is an asset. Lord purchased the property and the TIF program did not get presented until after it was purchased by Lord. The media has always presented this as though this needs to be done in order to keep Lord Corporation in Erie. He asked Council to look into this situation thoroughly.

Adjournment

There being no further public testimony, the Public Hearing was adjourned at 5:53 p.m.

Ann Bruno, Council Secretary

December 4, 2012

Mr. Fatica, Chairman, called to order a Regular Meeting of the Erie County Council at 7:00 p.m. in the Erie County Council Chambers, Erie County Courthouse, Erie, Pennsylvania. Following the Pledge of Allegiance, Mrs. Loll recited a prayer:

Let us pray. Lord, teach us what we are to do and where we should direct our attention, show us what we must accomplish, in order that we may be able to govern more intently. Unite us to effectually lead the residents of Erie County.

help us have wise judgment in all we decide, give us the power and strength to make the hard decisions. We ask this in the name of our Lord. Amen.

Roll Call

The County Clerk called the roll:

Members Present: Mr. Fatica, Chairman
Mr. Giles, Vice Chairman
Mr. Cleaver
Dr. Foust
Mr. Giles
Mrs. Loll

Members Absent: None (Mr. Beeman removed by Common Pleas Order 12572 of 2012)

Also Present: Douglas R. Smith, County Clerk
Joseph P. Maloney, Council CPA
Thomas Talarico, Council Solicitor
Jim Sparber, Director of Finance
Sue Ellen Pasquale, Manager of Accounting

Hearing of The Public

Robert Taylor is an attorney with Southwestern Pennsylvania Legal Services in Washington County. He spoke about a fair housing program currently being run by his office. The agency provides services for several counties throughout Pennsylvania. Erie County is covered by his agency as part of the Fair Housing Program which is funded through HUD. Grants are provided for education and outreach on various fair housing issues. The agency also has a grant that allows for investigations for individuals who are victims of discrimination. Mr. Taylor pointed out there is no charge for these programs. Northwestern Legal Services and Voices for Independence have partnered with his agency to provide these services. He is before Council to introduce himself and his agency and provide awareness of these activities within Erie County.

Kelly Edwards, owns Lakeview on the Lake Motel, 8696 East Lake Road, the only lakefront hotel/motel in the State of Pennsylvania, and came before Council to speak in opposition to the hotel tax increase. Conversations with Chairman Fatica and Dr. Foust have modified his opposition. He read from the original law defining "hotel" and made an objection to the fairness of the tax since there are groups providing the same function as his business but are not included in the enforcement of the current tax unless action is taken by the county. He pointed out that bed and breakfasts are exempt, campgrounds are not, but have yet to pay. Mr. Edwards stated that campgrounds are not the same as 100 years ago, some have cottages with complete sanitary facilities and some have buildings with rooms like a hotel. He asked Council to present to legislators a minor change to the tax law that would exempt small concerns such as his. He has 14 total units and the tax is a burden both financially and time wise.

Almi Clerkin, 642 West 7th Street, Erie, is the Executive Director of the Erie Playhouse. She encouraged Council's positive support of the 2% hotel/motel tax increase. These dollars will provide economic growth for the area. It will allow VisitErie to do several things, but most importantly, it will provide a campaign of community assets to areas beyond Erie County such as Ontario, Cleveland, Buffalo and Pittsburgh for the arts and cultural groups.

Mario Mazza, 91 First Avenue, North East, represents Mazza Vineyards and as a board member of VisitErie spoke in support of the 2% increase to the hotel/motel tax. He noted that 95% of the grapes in Pennsylvania are grown in Erie County with more than 50% of the wine and juices produced locally. This industry and its tourism are very important to the local economy. Resources are needed to promote all of the region's assets and draw visitors to Erie and keep them coming back. He urged Council to support this issue.

Nick Scott, Jr., 6428 Fair Oaks Circle, Fairview, stated that his organization, Scott Enterprises, supports the hotel/motel tax. Scott Enterprises relies on tourism to visit their properties. Marketing is essential to the success of his business. There are many community assets and success hinges on persuading significant numbers of people to visit the community. He urged Council to vote in favor of this tax.

John Oliver, 23 West Metcalf, Erie, is the President of VisitErie. Following up on the suggestion by Mrs. Loll, the Council liaison to the VisitErie board, he proposed that VisitErie provide quarterly updates on the advertising and marketing initiatives of his organization. Also, examples and results of their expanded marketing will be provided as well. He thanked Council for their consideration.

Fr. Jerry Priscaro, 921 East Avenue, Erie, updated Council regarding the McBride Viaduct which has been closed for 917 days. He advised Council that the total cost for the detour miles over this time period amounts to \$3,801,579.14. A deficient bridge in Erie County is either considered for rehabilitation or reconstruction. He feels the McBride Viaduct has been treated unfairly. There has been no opposition to rehabilitation or reconstruction of this bridge. This project is being treated in a different manner than other bridges.

Finance Committee

Mr. Giles reported the Finance Committee met on November 29, 2012 and agreed to place on the agenda for second readings Ordinances 129, 130, 134 and 135 and will also place on the agenda for first readings Ordinances 146 through 148. The Committee also placed Resolutions 48 through 56 and several appointments to a variety of county boards.

Mr. Giles further reported that Council met in an Executive Session with its Solicitor Thomas Talarico and with the County Solicitor Ron DiNicola to review a litigation that has been moving forward as the federal courts have moved this issue to the common pleas courts. Two ordinances on the agenda reflect this discussion.

Personnel Committee

Mrs. Loll reported the Personnel Committee met immediately following the finance meeting and agreed to place on the agenda Ordinances 149 and 150 for first readings with the possibility of moving those ordinances to a second reading.

Mr. Giles
Report

Mr. Giles reported that the County Commissioners Association which represents the 67 counties in Pennsylvania held its final meeting for the year from November 18-20. A special election of the Second Vice President was held since Pam Snyder, who was elected a few months ago, won a House seat from Greene County. CCAP describes their mission statement as a renewable and reviewable document annually and is being referred to as the new corporate mission statement. The Action Plan for 2013 was approved as well as the dues schedule which has not seen an increase for over four years, resulting in a slight increase for this year. It was agreed to change three of the significant bylaws, one of which was the Veteran's Task Force now the Veterans Policy Committee. The Governor signed some legislation on Veteran's Day which was discussed at the last meeting, but Mr. Giles believes so much more work must be done. He advised that there were more suicides in October in the military than all of the soldiers killed in Afghanistan; half of which had never seen active service. Responding to the needs of veterans is becoming more complicated and critical.

Mr. Giles further reported that Glenn Cannon, the State Director for FEMA, spoke at the meeting. If the formula is not changed regarding the 911 telephone system, Mr. Cannon predicts that within two years, there will be very little revenue to be shared by the counties since landline usage is going down. This is one of the issues that CCAP will be working on.

Mr. Giles then reported that through Behavioral Health, the insurance committee met and although the deadline for a claim was missed, the committee agreed to appropriate to the county \$135,068.96. A claim made in the prior year was not reimbursed. Because of the county's performance, a reimbursement of approximately \$29,000 will be sent to Erie County from the insurance carrier.

Mr. Giles stated that the Citizens Advisory Committee met December 3, 2012 and reviewed two of the alternatives for the McBride Viaduct which are now no longer on the list and when into great detail on the remaining four alternatives. The financial spread is from approximately \$15 million to \$5-7 million for other options. A recommendation should be made in July 2013.

MH/MR SA
Pass Thru Grants

Mr. Smith gave a second reading of Ordinance Number 129, 2012, "Second 2012 MH/MR Fund Budget Supplemental Appropriation Of \$235,766 And Creation Of Line Items For State Categorical Pass Thru Grants." Mr. Giles moved to adopt; Mr. Leone seconded and it carried in a unanimous roll call vote.

C&Y Ct. Ord.
Placements

Mr. Smith gave a second reading of Ordinance Number 130, 2012, "2012 Children & Youth Services Fund Budget Revised Expenditures And Creation Of A New Line Item Due To Court Ordered Placements." Mr. Giles moved to adopt; Mr. Leone seconded, and it carried in a unanimous roll call vote.

December 4, 2012

Agenda Amended

Mr. Giles moved to amend the agenda to add Ordinance Number 98, 2012 under Unfinished Business. This ordinance had been tabled. Mr. Giles also moved to add Ordinance Number 151, 2012 under New Business. Mr. Leone seconded, and the motion to amend carried in a unanimous roll call vote.

Revis. Environ.
Fee Schedule

Mr. Smith gave a second reading of Ordinance Number 134, 2012, "2012 Revised Environmental Fee Schedule In The Erie County Department Of Public Health." Mr. Leone moved to adopt; Mrs. Loll seconded, and it carried in a unanimous roll call vote.

Hotel Room
Rental Tax

Mr. Smith gave a second reading of Ordinance Number 135, 2012, "Hotel Room Rental Tax Amendment to Erie County Ordinance No. 45, 2000, and the Administrative Code of Erie County, Article II, Section 5 IV 1 H." Mr. Giles moved to adopt; Mr. Cleaver seconded.

Mrs. Loll moved to amend the ordinance as follows:

"This ordinance shall be effective ~~immediately upon adoption~~ **December 9, 2012.**"

Mr. Giles seconded, and it carried in a unanimous roll call vote.

Mr. Giles further moved to amend the ordinance by addition of the following language:

a. VisitErie shall provide quarterly written reports, as to the phases, execution of these plans, and all related expenses to County Council and the County Executive.

b. An annual audit will be provided to Council that details all hotel/motel tax revenues received by VisitErie.

c. Prior to the start of their fiscal year, VisitErie will meet with Council at a finance meeting to review their Annual Report and audit.

Dr. Foust seconded the motion to amend, and it carried in a unanimous roll call vote. Mr. Giles stated that he had other amendments he wished to make, but during Council discussions no one wanted to see any restraints put on the ability of VisitErie to effectively create a program or product that works. He recalled the process of defining regional assets and Mr. Oliver was part of that and has continued through the years. The county adopted a policy supporting regional assets which became the guidepost for the Erie County Gaming Authority. There has been a long history of supporting these programs which enrich the livelihood of the community

making Erie attractive to tourism. Mr. Giles also noted that this county has advanced \$10 million which was matched by Erie Insurance to the Erie Insurance Arena. The state is also putting in \$40 million. It is important that connections are made between these agencies.

Dr. Foust stated that he believes this particular tax is worthwhile and will vote in the affirmative; however, he agrees with the speaker, Mr. Edwards. After Council passes this, it is the administration's responsibility to execute the ordinance and he suggested Mrs. Pasquale and Mr. Sparber counsel the administration to make sure that if money is being left on the table with respect to bed and breakfasts and campgrounds and if they fit the definition of hotel/motel under state law, this tax is being collected from them as well. If these facilities are exempted, Dr. Foust encouraged members of Council to interface with state representatives and the new state senator to have that changed. If a small motel should be burdened, he does not believe there is no reason a bed and breakfast or campground should not have the same burden since they are benefitting from it. Mr. Fatica agreed.

Mr. Fatica called for a vote on Ordinance Number 135, 2012, as amended, and it carried in a unanimous roll call vote.

Upgrade of
Planner II to
Planner IV

Dr. Foust moved to remove Ordinance Number 98 from the table; Mr. Leone seconded, and it carried in a unanimous roll call vote.

Mr. Smith gave a second reading of Ordinance Number 98, 2012, "2012 Planning Fund Budget Revised Expenditures Of \$1,018 For Upgrade Of Planner II Position To Planner IV." Dr. Foust moved to adopt; Mrs. Loll seconded, and it carried in a unanimous roll call vote.

First Reading

Mr. Smith gave a first reading of Ordinance Number 146, 2012, "2012 Children & Youth Services Fund Budget Revised Expenditures And Creation Of Expense Line Items Due To Court Ordered Placements."

Agenda Amended

Mr. Giles moved to amend the agenda to include Ordinances 147, 149 and 150 as second readings. Dr. Foust asked that Ordinance Number 149, 2012 be separated from the vote. Mr. Giles then moved to add Ordinance Numbers 147 and 150 as second readings. Mr. Leone seconded, and it carried in a unanimous roll call vote.

Mr. Giles then moved to include Ordinance Number 149, 2012 as a second reading; Mr. Leone seconded. Dr. Foust stated that he will vote against moving this ordinance to a second reading and vote against the ordinance as well. With no disrespect meant for the prison staff, he understands Mrs. Pasquale's difficulties in having to assume many of these duties, but Dr. Foust has not seen enough of a plan from the administration and the prison to move forward and correct the problems of non-accountability in the future. If there is someone handling an audit, that will help, but Dr. Foust feels there is a cultural problem at the prison and policies in place are not being done. He is concerned that there is not enough evidence that these issues will be corrected in the near future. Although he is confident they will eventually be corrected, he has not seen enough to justify a new position and employee that may go into a culture that will continue to spawn the same problems.

Mr. Leone stated that he also would like to see a plan of some type. He believes that the buck stops at the top. He would like to see something done before he agrees to this. He was going to vote for a second reading but has decided to vote against it so this administration will have time to come back and set up a plan of what will happen as far as the prison is concerned.

Mr. Giles understands these concerns, but there is an immediate issue right now which is uniformity regarding the processing of the payroll system. This is an immediate need. The accounting department is understaffed. That department has been purposely cut back over the years and lost three positions in three years. Mr. Giles agrees with Dr. Foust regarding the culture issue in the prison, but there is an immediate problem with the mechanics of the payroll and is

affecting the Finance Department and the payroll system. If this ordinance is not approved this evening, Mr. Giles cautioned that the work will fall behind six weeks.

Mr. Leone stated that he will vote for this as a second reading, but will not vote for the ordinance.

Mr. Fatica called for a vote on the motion to move Ordinance Number 149, 2012 to a second reading and it failed in a roll call vote of 4-2, Dr. Foust and Mrs. Loll voting no.

2012 Gen. Fund SA
Prof. Fees for Litig.
in Sol. Ofc.

Mr. Smith gave a second reading of Ordinance Number 147, 2012, "Twenty-Eighth 2012 General Fund Budget Supplemental Appropriation Of \$25,000 In Professional Fees For Litigation Through The County Solicitor's Office." Dr. Foust moved to adopt; Mr. Leone seconded.

Dr. Foust noted that Attorney DiNicola spoke with Council last week indicating these funds would be needed, and inadvertently made his case when he stated he would be shocked if Judge McLaughlin ruled that this would be moved to County Court and the next day that ruling came down. This gives another sense of urgency to this particular ordinance.

Mr. Giles commented that there are a number of attorneys involved in this particular issue and the urgency at creating this fund surprises him to a large measure. If there weren't such a large number of attorneys already involved, he could see some difficulty, but the county is represented by a firm from Pittsburgh who takes their direction through Traveler's Insurance. Having talked with some of the attorneys involved, Mr. Giles is very comfortable that they are very capable. Mr. Giles stated he was reluctant to make this a second reading given the fact that this is December 4th and there is a very short turnaround. He is not very comfortable with this, but will abide by the majority's decision.

Mr. Fatica called for a vote to adopt Ordinance Number 147, 2012, and it carried in a roll call vote of 5-1, Mr. Giles voting no.

First Readings

Mr. Smith gave first readings of the following ordinances:

Ordinance Number 148, 2012, "Twenty-Eighth 2013 General Fund Budget Supplemental Appropriation Of \$25,000 In Professional Fees For Litigation Through The County Solicitor's Office."

Ordinance Number 149, 2012, "2013 General Fund Budget Revised Expenditures Of \$47,315 And Creation Of Accountant Position For Corrections"

Deputy Director
Veterans Affairs

Mr. Smith gave a second reading of Ordinance Number 150, 2012, "Twenty-Ninth 2013 General Fund Budget Supplemental Appropriation Of \$26,158 For Creation Of Deputy Director For Veterans Affairs." Mr. Giles moved to adopt; Mr. Leone seconded.

Dr. Foust encouraged the administration to have an employee in the Personnel Department train in the Veterans Affairs Office as well. This would provide additional support for the office and address the important duties of this office.

Mr. Fatica called for a vote on the ordinance, and it carried in a unanimous roll call vote.

COG 2013
Budget

Mr. Smith gave a reading of Resolution Number 48, 2012, "A Resolution To Approve The Annual Budget Of The Erie Area Council Of Governments For The Calendar Year Ending December 31, 2013." Dr. Foust moved to adopt; Mrs. Loll seconded.

Mr. Fatica explained that the county is part of the funding process for the Council of Governments. Mr. Giles noted that every member other than the County will be seeing a dues

increase. Mr. Fatica called for a vote on the resolution and it carried in a unanimous roll call vote.

Hosp. Auth.
\$4,430,000 Tax
Exempt Note
(Dr. Gertrude Barber)

Mr. Smith gave a reading of Resolution Number 49, 2012, "Erie County Hospital Authority Not To Exceed \$4,430,000 Tax-Exempt Note (Dr. Gertrude A. Barber Center, Inc. Project)." Mr. Giles moved to adopt; Mr. Leone seconded, and it carried in a unanimous roll call vote.

Ord. 50 Tabled

Mr. Leone moved to table Resolution Number 50, 2012, "Approving Solicitor Contract Submitted By The Office Of The Sheriff." Mrs. Loll seconded, and it carried in a unanimous roll call vote.

OCY Solicitor
Contract

Mr. Smith gave a reading of Resolution Number 51, 2012, "Approving Solicitor Contract Submitted By The Erie County Office Of Children And Youth." Mrs. Loll moved to adopt; Dr. Foust seconded. Mr. Giles understood that this resolution would be tabled as well and asked for clarification regarding the difference between the sheriff solicitor contract and the OCY contract. Attorney Talarico explained that the OCY contract is not actually a solicitor, it is a misnomer. The department is hiring a lawyer. The department has a couple lawyers now, and needs an additional lawyer. This position will be working as a lawyer as opposed to making recommendations in the office, such as the Sheriff department contract. Mr. Talarico also pointed out that the OCY position is funded 80% under state law and falls under a different statute. It is the OCY/MH/MR statute and really has no impact on the County General Fund.

Mr. Fatica called for a vote on the resolution and it carried in a unanimous roll call vote.

In Sprt. Review.
HRC

Mr. Smith gave a reading of Resolution Number 52, 2012, "In Support Of Reviewing Erie County's Home Rule Charter." Mr. Leone moved to adopt; Mr. Giles seconded, and it carried in a unanimous roll call vote.

Exon. Taxes in
NE Twp & SD

Mr. Smith gave a reading of Resolution Number 53, 2012, "Exonerating Taxes On One Abandoned Trailer/Property In North East Township And The North East School District." Dr. Foust moved to adopt; Mrs. Loll seconded, and it carried in a roll call vote of 5-1, Mr. Cleaver voting no.

Exon. Taxes in
Girard Twp & SD

Mr. Smith gave a reading of Resolution Number 54, 2012, "Exonerating Taxes On Two Abandoned Trailers/Properties In Girard Township And The Girard School District." Mrs. Loll moved to adopt; Dr. Foust seconded, and it carried in a roll call vote of 4-2, Mr. Cleaver and Mr. Giles voting no.

Req. Cnty Depts.
Use Time & Attend.
System

Mr. Smith gave a reading of Resolution Number 55, 2012, "In Support Of All County Departments Using The New County Time And Attendance System." Mr. Giles moved to adopt; Dr. Foust seconded.

Dr. Foust moved to amend the title of the resolution as follows:

RESOLUTION NUMBER 55 , 2012

~~In Support of~~ **REQUIRING** All County Departments Using The ~~New~~ County Time And Attendance System

Dr. Foust moved to amend the last paragraph of the resolution as follows:

NOW THEREFORE BE IT RESOLVED, ~~the County Council of the County of Erie strongly encourages all elected officials and county departments to fully comply with the time and attendance practices implemented by the Administration.~~

by the County Council of the County of Erie that it is a requirement for all elected officials and department heads to fully comport with the rules of the county time and attendance system in the operation of their departments.

Req. County Depts
Using Time &
Attend. System

Mr. Leone seconded, and it carried in a unanimous roll call vote.

Mr. Giles explained the county has a new payroll system generated by technology. Some branches or departments of the county have resisted using the system. Council is collectively stating there should be one system used by the County and in order to receive a paycheck, this system must be used.

Mr. Fatica called for a vote on Resolution Number 55, 2012, as amended, and it carried in a unanimous roll call vote.

In Sprt of 911
Memorial on
Blasco Lib. Prop.

Mr. Smith gave a reading of Resolution Number 56, 2012, "In Support of An Erie County 911 Memorial On Blasco Library Property." Dr. Foust moved to adopt; Mrs. Loll seconded, and it carried in a unanimous roll call vote.

Appointments
Approved

Dr. Foust moved to approve the following appointments:

Appointment of Doug Moorhead to the Erie County Agricultural Land Preservation Board

Reappointment of Michael Peck to the Erie County Agricultural Land Preservation Board

Reappointment of Tom DeBello to the Erie County Agricultural Land Preservation Board

Reappointment of Robert Oliver to Erie County Care Management Board

Appointment of Heather Steiner to the Erie County Industrial Development Authority

Mrs. Loll seconded, and it carried in a unanimous roll call vote.

Amend. To
Personnel Code

Mr. Smith gave a first reading of Ordinance Number 151, 2012, "Amendment To Section 9(E)(6) Of The Erie County Personnel Code Temporary Transfer Time Limits." Mr. Giles moved to adopt; Dr. Foust seconded.

Mr. Giles referred to discussion in the Finance/Personnel Committee regarding a meeting to discuss this ordinance. Mrs. Pasquale explained that the Personnel Director met with AFSCME Union leadership representing Professionals and he is waiting for comment from them. This particular ordinance addresses the Personnel Code and states that unless it is a conflict with the union labor agreements, the time period that an employee is permitted to be temporarily working out of class will be changed from 6 months to 3 months. This should help prevent the issue that occurred in Planning from occurring in other departments. Mr. Fatica thanked Mr. Callan and Mr. Welsh for moving this forward.

Mr. Giles suggested moving the ordinance to a second reading. Mr. Leone explained that if Council does not take action, he believes this will go into effect within so many days without

Council's approval. Mr. Fatica pointed out that the ordinance will go into effect January 1, 2013 and Council will not meet before that time.

Mrs. Loll moved to make Ordinance Number 151, 2012 a second reading; Mr. Leone seconded, and it carried in a unanimous roll call vote.

Amend. To
Personnel Code

Mr. Smith gave a second reading of Ordinance Number 151, 2012, "Amendment To Section 9(E)(6) Of The Erie County Personnel Code Temporary Transfer Time Limits." Mr. Giles moved to adopt; Mr. Leone seconded, and it carried in a unanimous roll call vote.

Adjournment

There being no further business, the meeting adjourned at 8:27 p.m.

Ann M. Bruno, Council Secretary
