

October 5, 2010

Minutes of Sept. 21, 2010 Reg. Mtg. Adopted. Agenda Amended. First Rdgs: Gen Fund SA for PCCD Grant Funded Trng; PS SA Donation of Multigas Detector; Manuf. Home Park Ord. Desig. Recip. LEDA Funds for Erie Cnty adopted; \$2,500,000 Tax Exempt Note adopted. Richard Wachter reappt'd to ECCM Brd. Jackie Breakstone reappt'd to Lib. Brd. Sale of Parcels from Repository apprvd. Frst Rdg. Apprvl of Plan for Estab. And Oper. Of Comm. Coll. In Erie Cnty.

ERIE COUNTY COUNCIL – Regular Meeting

Dr. Foust, 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:

Almighty God, at this moment we beseech that thou will make full and complete our dedication to the service of the people in this throng and our fellow citizens everywhere, especially we pray that our concern shall be for all the people, who under the concept of our government hold to different beliefs so that all may work for the good of our beloved country and county, amen.

Roll Call

The County Clerk called the roll:

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

Members Absent: None

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

Presentation of Citation to 911 Call Center

On behalf of Council, Mr. Fatica presented a citation to those people who make the 911 Call Center the great place it is becoming. Mike Adams, Joyce Matthews, John Grappy, Director Todd Geers, and Max Exley of the Call Center came forward to accept the citation. Mr. Fatica noted the citation states in part:

the dedicated staff at the Erie County 911 Call Center gives life saving assistance to people in need; and

life threatening situations are a daily routine of their work experience

Mr. Fatica extended his congratulations and wished continued success to the Call Center. On behalf of everyone at the 911 Call Center, Mike Adams, expressed his appreciation and thanked Council.

Hearing of The Public

Dan Galena, Springfield Township, stated that he believes Council is in violation of the Administrative Code for failing to have tonight's agenda posted on the county website. The

agenda for the September 21 meeting was not posted in a timely manner either. He suggested to Mr. Talarico that any business conducted tonight is in violation of the Pennsylvania Sunshine Law. Should there be any ordinances or resolutions introduced that are not on the agenda, he believes Council will be in violation of the Pennsylvania Sunshine Law and the Administrative Code.

Dr. Foust responded that he will discuss this matter with Council Solicitor regarding the requirements for the agenda on the county website.

Fr. Jerry Priscaro, stated that in 2006 the McBride Viaduct was found to be structurally deficient and obsolete. The Erie County Metropolitan Planning Organization gets federal and state funding for bridge and highway projects. He is very concerned that with all the revenues available in the state of Pennsylvania, Erie County is having difficulty finding the funding to have this viaduct restored. Fr. Priscaro asked members of Council to do anything in their power to encourage the Erie County Metropolitan Planning Organization to move this issue forward.

Minutes

Mr. Leone moved to approve the minutes of the September 21, 2010 Regular Meeting. Mr. Giles seconded, and it carried in a unanimous roll call vote.

Finance
Committee

Mr. Fatica reported that the Finance Committee met on September 30, 2010 and agreed to place Ordinances 107, 108, and 109 on the agenda for first readings, along with the possible adoption of Resolutions 41 and 42, a reappointment to the Erie County Care Management Board, the Erie County Library Board, and the possible approval of the sale of parcels from the repository.

Personnel
Committee

Mrs. Loll reported the Personnel Committee met following the Finance Committee and had no business to place on the agenda.

Mr. Leone's
Report

Mr. Leone stated that at the last meeting, he gave a report on Pleasant Ridge Manor, formerly the Geriatric Center, and was reminded of some issues that he left out by Council CPA Mr. Maloney. At the last meeting, Mr. Leone pointed out that the Center, from 1990-2010, has cost the county approximately \$266,000 per year. The budget for the Center ranges as high as \$33 million. That is more than efficient; it is good management because the Board of Trustees consists of members of County Council and have been excellent watchdogs for this facility.

Mr. Leone noted that one of the County Executive's comments was to have professionals on the board because they would manage better than County Council. No one has more history at the Center than Mr. Leone. Professionals were placed on this board in the past. They failed miserably when managing this Center. Mr. Leone suggested taking a look at some of the history of this Center.

In 1975, the County devised a scheme to sell the Erie County Geriatric Center to a private not for profit corporation formed by the County. The Center was sold for \$14 million. The bond issue was distributed giving \$5 million to the Center for operating expenses and the rest was for the County. The County used over \$7 million to renovate the Courthouse. This, in Mr. Leone's estimation, was the real reason for the selling of the Center. At that time, the Commissioners didn't want to raise taxes to renovate the Courthouse and he believes this was their motive. The reason used was that the private reimbursements would be greater than the public reimbursements. It went the other way, public reimbursements were substantially higher than the private reimbursements. The County also used \$500,000 to help renovate the Lampe Marina. Mr. Leone does not know where the rest of the money went. Mr. Leone then suggested looking at how efficiently this Center has operated.

The matter of the bond issue will be paid off (\$14 million) by 2011. It was paid from reimbursements to the Center. The County stayed clear of having a bond issued. So when someone indicates that perhaps this Center needs to close, they should review the real facts:

He noted that the Center paid for this bond issue. The bond issue has been re-financed at times in an effort to save money. However, if the County took out the same bond issue, to repay the issue (which ends in 2011), after 26 years, would have cost this County in excess of \$28 million.

The Council Members fought from 1978 until 1983 to turn this facility into a hybrid not for profit corporation. This corporation now receives public reimbursement from the State and Federal governments. This reimbursement is higher than the private reimbursement.

Mr. Leone stated that the administration has concerns because this facility needed \$500,000 to meet its budget obligations this year. He means no disrespect to the administration as they are looking to save as many tax dollars as they can; however, the \$500,000 is not because this Center isn't efficient, it arises because of the stock market loss and the under budgeted amount for the Annual Required Contribution to their pension plan. Not nearly the amount we need for the County Pension Plan. The stock market cannot be controlled and, by law, the County is obligated to fund this plan.

Mr. Leone acknowledged that operating two centers could be a problem. Both are in need of renovation and a decision needs to be made. There are questions to be resolved, such as does the County spend approximately \$4-7 million or as high as \$14 million and more to renovate these facilities or should the County combine these facilities and have a manageable number of beds for a single facility. At the present time, 388 beds at the facility are too many and this causes a loss of reimbursement. The County needs to maintain a 90% occupancy ratio to receive maximum reimbursement. This facility must be operated in a professional manner, as well as an extremely efficient and effective manner. The end results speak for themselves. Very little is spent to care for our aged and indigent.

Council Members can be proud of this facility and certainly can assure constituents that it is run in the best manner possible by the County Council. Mr. Leone feels this Center must continue under County auspices. The County residents should be proud of the Center's achievements and its future plans. This Center is an asset to Erie County.

Mr. Leone believes that if a truly private not for profit organization runs this Center, then many frail elderly would be discharged because of financial constraints. A corporation such as this cannot function if its revenues are smaller than its expenses.

In conclusion, and Mr. Leone means no disrespect toward the administration or the County Executive, in his comments, the County Executive stated "Are they (County Council) equipped to run a nursing home?" To Mr. Leone, the County Executive stated that a nursing home ought to be operated by a board that has professional status in that industry.

Mr. Leone's response is 1) as indicated previously about professional boards, been there, done that, and it didn't work. The professional need not be on the board; the professionals are the individuals running the facility. The County currently has that concept and Council is proud of it, and 2) is County Council equipped to run a nursing facility? Yes, Council is. It has been run by County Council since 1983 and this concept was originated by a previous Secretary of the Department of Public Welfare. It has worked well and Mr. Leone is proud to commend the Council for their past and future practices.

Dr. Foust thanked Mr. Leone for his report and expressed his agreement.

Mr. Giles' Report

Mr. Giles reported that the Northwest Planning Commission met in Tionesta on October 1, 2010. He has a lengthy report which he will share with members.

Mr. Giles stated that Don Alstadt was head of Lord Industries and passed away a number of years ago. On October 2nd, his wife produced a book of his writings and thoughts and distributed this book to the Erie Book Store. Of special interest to Mr. Giles is the fact that his sister did the cover for the book as a volunteer, but also that their mother was a valedictorian at East High School along with Don Alstadt a number of years ago. He noted that Mr. Alstadt was one of the visionaries to come from this community and was well respected.

Mr. Giles also reported that the Economic Development Corporation announced on October 4, 2010, that they had received a \$500,000 grant in partnership with the Northwest Planning Commission for the development of the inland port project

Mr. Giles recalled that at the last Council meeting he promised to provide a final wrap up report in regard to the September 1-11 trip to China. He provided a copy of the 15 page report for members' review.

Mr. Giles stated that after having traveled to China on a 12 hour flight which tends to make one out of sorts and tired, he got to his hotel using the electronic key for the door. However, he couldn't find the light switch and then realized the light switch requires the use of the room key card. The lights kept going out as he moved throughout the hotel room. Mr. Giles then realized that the Chinese have an energy efficient system. Without the presence of the key inside the room, then the air conditioning, the television, everything electric shuts off after three minutes.

Mr. Giles also reported that everyone in the delegation had a photo ID badge. Whenever he walked through the security detector, his picture would show on a screen with a bio under it in Chinese. He noted this was quite a security system.

Kodak, which has had a presence in China since 1928, made a nice banner to welcome everyone. Mr. Giles displayed this banner in the Council Chambers for everyone to see. Mr. Giles stated there was also a booklet with bios of the people they met and a history of Kodak, what the company is doing now and why they are interested in partnering with counties in regard to document storage, document access, and imaging.

Mr. Giles showed the audience the business cards he received from everyone he had talked with during meetings. The first meeting was with Jon Huntsman, the U.S. Ambassador to China. Mr. Giles learned that the embassy in China is the largest embassy in the world by way of staffing, issues and involvement. Ambassador Huntsman invited the delegates to meet with his top staff at 4:00 p.m. on Friday in regard to agriculture, environment, and energy. They met until 6:30 p.m. This was a most productive meeting. Mr. Giles also met with the Secretary of Commerce which he felt was the most challenging with the language issue. A translator was used which does slow down the dynamic of the conversation. Mr. Giles heard the dialogue and found it to be somewhat light in his opinion. When his turn came, he remarked that China is facing some of the very same issues as the United States. China has a well respected culture in which ancestors are revered, elderly are respected, and families are a keystone of the culture. Because of the changes happening in the world such as globalization, urbanization, both Beijing, with approximately 17 million people, and Shanghai, with a population of approximately 20 million people, are huge metropolitan areas causing pressure on the strong heritage in China. Afterwards, the Chairman said that was the best comment they heard the entire meeting, and Mr. Giles was complimented. Mr. Giles spoke from the heart because these are common challenges moving forward.

As the delegates were leaving, Mr. Giles asked for a copy of a book which was on a table called *Invest In America*. This is a Chinese publication trying to get investments from China into the United States so the Chairman was very happy to provide a copy, as well as several additional copies for Mr. Giles' colleagues. When Mr. Giles caught up to his colleagues to give them a copy, they noted the book was written in Chinese and felt no need for the book. Mr. Giles took the books with him on Friday for a follow up meeting at the Embassy. One of the people he met was a director for investment and commercial development, so he gave her the extra copies.

Mr. Giles noted this was a first effort to establish a foundation to build upon. According to Ambassador Huntsman, China is not changing by the month or year, but by the minute. An interesting note is that the Chinese wanted to go high speed rail, 400 km an hour, between Beijing and Shanghai two years ago and it will be operational next year. China moves very efficiently once something is decided.

The delegation also spent time with Kodak, toured a dairy and a winery, which was the first one built in China in partnership with Romania. It was six years in development and is now in production and they were able to sample some of the production which was very good. They also visited a model city that was developed by an Australian design team and architect. This was an exhausting schedule, but with a great deal of potential for opportunities. A member of the delegation was a farmer in Wisconsin, and one of the products he grows is ginseng which he brought as a gift. It was a well respected gift.

Mr. Giles was well briefed in terms of issues in the locomotive industry from GE, the wind generating system, or powdered metals which are very important in the Elk and Potter County area. Pulling all of this together is the issue John Elliott from Economic Development is working on regarding the inland port project which may be connected to this foundation being built. Mr. Giles believes this trip was worth the time and energy. He has shared names with Mr. Elliott and has also followed up on several of them. NACo is pleased to have participated in this opportunity.

The Chinese People's Association for
Friendship with Foreign Countries/NACo Exchange
Cooperation in Times of Economic Crisis
September 1-11, 2010

Introduction

The Chinese People's Association for Friendship with Foreign Countries (CPAFFC) has invited the National Association of Counties (NACo) to bring a delegation of ten persons to China for a ten day exchange, from September 1-September 11, 2010. All expenses were paid by the Chinese Government which included on site visits to Beijing, Harbin and Shanghai.

Delegation Members:

1. NACo President Glen Whitley, County Judge, Tarrant County, Texas – 1,800,000
2. NACo Past President Valerie Brown, Supervisor, Sonoma County, California – 458,000
3. Supervisor Gerry Hyland, Fairfax County, Virginia – 969,000
4. Commissioner Robert Cope, Lemhi County, Idaho – 7,800
5. County Councilman Joe Giles, Erie County, Pennsylvania – 281,000
6. Councilman Nestor Garcia, Honolulu, Hawaii
7. Board Chair Keith Langenhahn, Marathon County, Wisconsin – 125,000
8. NACo Executive Director Larry Naake, Washington, District of Columbia
9. NACo Past President/NACo Consultant Kaye Braaten

Our host organization in China was the Chinese People's Association for Friendship with Foreign Countries (CPAFFC). The group is a national people's organization engaged in people-to-people diplomacy on behalf of the People's Republic of China. Its purposes include enhancing people's friendship, furthering international cooperation, safeguarding world peace and promoting common development. The CPAFFC was established by 10 national civic organizations, and was first called the Chinese People's Association for Cultural Relations with Foreign Countries. It got its current name in 1969. Local associations have been set up in all the provinces, autonomous regions and municipalities directly under the central government, along with a number of cities, districts and counties. Its headquarters is in Beijing.

CPAFFC co-hosted the 2010 China International Friendship Cities Conference, held from September 8th -10th in Shanghai. The other organization to host the conference was the China International Friendship Cities Association. The conference theme this year was "Better Cities through Cooperation." The conference aim this year was "to provide a platform for Chinese and other countries' friendship cities, local governments, friendship-city organizations and agencies, and people engaged in the research of friendship-city management to enhance exchanges and cooperation and promote the flourishing and development of urban civilization." CPAFFC extended the invitation to NACo for an informational and educational exchange between the two organizations -

as well as between our two countries.

Dubbed by President Whitley as "Cooperation in Times of Economic Crisis," the trip also afforded the NACo the opportunity to determine if its member counties could benefit from the establishment of county relationships with their counterparts in China, which has surpassed Japan as the world's second largest economic power.

Wednesday, September 1, 2010

Our delegation arrives in Beijing and checks into the China World Hotel. Xin "Michael" Shen and Ajay River of CPAFFC as our escort for this initial segment of the exchange. The first visit included a guided tour of Tar Temple of Heaven and the Summer Palace.

Thursday, September 2, 2010

U. S. Ambassador to China, Jon Huntsman

The delegation arrived shortly after eight in the morning at the U.S. Embassy in Beijing. We were met Ambassador Huntsman, his chief of staff, Neil Ashdown (AshdownNH@state.gov).

- Ambassador Huntsman is a former Governor of Utah and mentioned that he is "a good friend" of fellow Republican Governor Linda Lingle of Hawaii, whom he said would be making another trip soon to China. Huntsman said Beijing is home to the second largest U.S embassy in the world, next to Iraq.

October 5, 2010

Mr. Giles'
Report

- A total of 32 U.S. agencies are housed in the Beijing embassy, and they have been helpful to counterparts in China. As an example, he said the Federal Aviation Administration has assisted China to achieving the world's best aviation safety record.
- Huntsman also noted that China and the U.S. share many similar values. He said he and President Obama feel it is critical to work together and have a bi-partisan approach to dealing with China. Also sitting in on the meeting was C. Sherry Hong, Deputy Chief, Environment, Science, Technology and Health Section (hongcs@state.gov), and Jeffrey Horwitz, Deputy Chief, Policy Analysis, Economic Affairs (HorwitzJD@state.gov).
 - Huntsman said he is looking for "points of entry" and that an organization like NACo could help the U.S. identify more opportunities with China on a local level. He said while Americans are approaching China to see if it is interested in making deals in the U.S., China is taking a very cautious approach when it comes to outbound investment.
- Huntsman indicated that the U.S. Embassy has initiated a "sub-national" diplomatic initiative. This includes an opportunity for more direct contact and involvement with County government.
 - Huntsman noted that the Chinese hold about \$2.5 trillion in reserves. His advice to NACo revolves around a simple concept: "Do not get too ambitious in your dealings with China." He said to first get to know your counterparts in China - even if it means sitting down to a number of dinners. He then said to "focus, focus, focus" on just one or two things you want to accomplish with the Chinese.
- Huntsman invited our delegation to return to the embassy to meet key top staff and benefit in greater detail on relative points of policy and information. The delegation returned on Friday September 3, 2010 at 4:00 p.m. and concluded at 6:30 p.m.

Thursday, September 2, 2010 at 11:00 a.m.

Chinese Ministry of Foreign Affairs

At this meeting, the lead official for the Ministry was Mr. Zheng Zeguang, Director General, Department of North American and Oceanian Affairs, Ministry of Foreign Affairs (zhzegu@yahoo.com). He spoke English fluently (he worked for a time with the Chinese Embassy in Washington D.C.) He said he returned to China three years ago. The Director General said he has been working on Chinese-U.S. relations for 20 years. His favorite saying while he was in the states was that his favorite place in America was "anywhere outside the Beltway."

The Director General said development in China is very different depending on where you are -it is more developed in the East, as compared to the West, "and we are trying to close that gap." He said there are only 300 million people living in the East and along the coast, as compared to 1 billion in the interior of China. The Director General said that while it is true that China's GDP is now second in the world, "our per capita income is only about \$3,900, or one-thirteenth that of the United States." He added that while the official unemployment rate is around 4 percent -that does NOT count the farmers.

He said that energy is a key issue for the Chinese -and that "we need more energy resources in order to grow the economy." The Chinese are looking at resource such as clean coal technology, importing more oil, hydroelectricity and nuclear power. The Director General said protecting the environment was not a priority in the past 30 years -but it is now. He said the Central Government is looking to develop a "green GOP" -and is calling on the provinces and local

governments to come up with ways to clean the air and the water.

- Interesting fact: the Director General said of the 19 dynasties to rule China, the average length of each was about 200 years. He also traces his ancestry to Zhongshan, Guangdong Province, a Honolulu sister city.
- He said that there is a lot of opportunity for young officials to move up the Party hierarchy "and can become Premier of China if he or she does a good job."
- He said there is a dual system of government -with mayors and deputy mayors, along with so-called Party secretaries. He said this duality is a way to provide a check and balance between the local governments and the Party.

The Director General advised NACo to take a more grass roots approach to dealing with the Chinese and encouraged travel to areas outside of Beijing. He said he was very keen on county-to-county and city-to-city relationships. He said these relationships are not just so that each side can take notes on how to be better government officials -but are also opportunities to explore economic development for both sides.

He said for China -the rural and West areas are to become very important for his people -and with all the development planned for these areas will also come an increased ability for the Chinese in these regions to move more into a consumptive society -people with more buying power.

The Director General said mutual investment, technology transfer, together with educational and cultural exchanges, are the driving force "for long-lasting and sound relationships." He said he would like to see a list of counties in the United States which are interested in sister relationships with counties in China.

The Director General went on to say that he would like to see a counterpart to NACo in China and "I will make it my personal priority" to develop more of these sister county relationships between China and the United States.

- Also attending this meeting was Xue Junying, Deputy Director, Fifth Division, Department of North American and Oceanian Affairs, Ministry of Foreign Affairs.

Between meetings, the delegation paid a brief visit to Tiananmen Square.

Thursday, September 2, 2010 at 2:30 p.m.

Chinese Ministry of Commerce

At this meeting, the lead official for the Ministry was Mr. Liu Zuozhang, Director General, Investment Promotion Agency, Ministry of Commerce (liuzz@mofcom.gov.cn). Speaking through an interpreter, Liu said his agency's main objective is to attract foreign investment -especially with the U.S. He said he is also assisting Chinese entrepreneurs who want to invest in the U.S.

The Director General said he knows of 21 states which have memoranda of understanding with Chinese counterparts revolving around promotion and investment. He showed us a book written for Chinese entrepreneurs entitled, "Invest in America." The Director General said 30 years ago -there was virtually no foreign investment in China. Now there are several thousand companies with interests in China.

Director General Liu said one way to secure ties with the U.S. is to combine China's low labor costs with American management experience and technology expertise. He said another way to establish a relationship is through our educational institutions. He said his agency has a website that offers advice on how to invest in China.

The Director General expressed interest in the idea to hold a separate, smaller conference at the time of next year's Asia-Pacific Economic Cooperation (APEC) leaders summit in Honolulu, an idea I floated during the delegation's earlier meeting with Ambassador Huntsman.

The idea is to have a meeting that coincides with APEC featuring cities and counties of both U.S. and China, together with leaders of small to mid-size companies from both countries. APEC is a much larger meeting that brings together heads of state and CEOs of major multinational companies.

The Director General wanted to know what topics would be discussed at the smaller meeting, and would help generate interest in China. He said Hawaii "is very beautiful" and also stated that President Obama "was very smart" in selecting Honolulu as the site to host the APEC in November of 2011.

Among the Ministry staff who attended the meeting:

- Hu Ruihong, Director, Overseas Investment Cooperation Department, Investment Promotion Agency (huruihong@fdi.gov.cn);
- Huang Qinghong, Deputy Director, Liaison Department, Investment Promotion Agency (huangqinghong@fdi.gov.cn);

- Chang Huafeng, Deputy Director, Research and Development Department, Investment Promotion Agency (changhuafeng@fdi.gov.cn)

Update on Investment in China

On September 5, the Chinese released an astounding report on the amount of investments with regard to China -foreign investment in the country, as well as China's investments overseas. At a news conference held by the Ministry of Commerce, it was reported that China's outbound direct investment (ODI) boasts a total volume of \$56.5 billion, ranking the country as the 5th largest global investor, and the largest among the developing nations. This compares to a ranking of 12th in 2008. Last year was the 8th consecutive year that ODI had grown - and during this period, the average annual growth rate stood at more than 50 percent.

The official that our NACo delegation met on Sept. 2, Mr. Liu Zuozhang, told the China Daily newspaper that China's ODI in non-financial sectors would probably grow to \$60 billion this year (I believe he leaked this figure to us at our meeting with him at the Ministry of Commerce!).

China's total ODI of \$56.5 billion is truly amazing, when you consider that foreign investment on a whole decreased by 40 percent last year amid the financial downturn, and is expected to show only marginal growth this year. Mr. Fan Chunyong, standing deputy chief of the China Industrial Overseas Development and Planning Association, said China's ODI "will go up to \$100 billion by the year 2013, and the Chinese accumulative overseas investment will reach \$500 billion by then."

According to the Ministry of Commerce, by the end of 2009, 13,000 Chinese enterprises had invested in 177 nations and regions, and the largest volume of funds went to the Asia-Pacific region. Still, for the first half of this year, China's ODI to the United States rocketed up by 360 percent, followed by a rise of 107.2 percent for ODI to the European Union. As for foreign direct investment (FDI) in China, that amount of investment in the country also rose dramatically and is set to surpass \$100 billion this year, as compared to \$90 billion last year.

One of the reasons for the strong investment in China is the labor pool -the country graduates six million students from universities and colleges each year, and there is an even larger labor pool in the rural areas. China is the 2nd largest recipient of foreign investment, next to the United States.

Further notes on foreign investment in China: according to a report by the European Chamber of Commerce (released, coincidentally, on the very day that we met with officials with the Ministry of Commerce!), the Chinese had made improvements on its investment environment, but needed to do more, especially on market access and the regulatory environment.

Still, there is no arguing that FDI is on the rise in China. According to Mr. Shen Lincheng, founder of the China Foreign Direct Investment Forum, the late 70's and the 80's saw China opening up to foreign investment, with the opening growing larger with the country's membership in 2001 with the World Trade Organization. Mr. Shen has these words of advice: the Chinese recently have been emphasizing quality vs. quantity. There is more interest now in investments that bring advanced technology and/or managerial expertise. And the Chinese are more interested now in investments that do NOT involve high energy consumption and do NOT pollute the environment.

This evening, the delegation sat down to dinner with our host organization and with Mr. Xie Yuan, Director General, Chinese People's Association for Friendship with Foreign Countries, serving as the official host.

Friday, September 3, 2010

Hot Spring Leisure City

The delegation traveled to this site some 20 kilometers to the north of Beijing, in what is called the Chang Ping district. Hot Spring was designed by Australia SDG Design Group and bankrolled by residents in the area and the Chinese conglomerate Hong Fu Group (with 5.5 billion RMB in assets) and the Chinese government. It was built largely by the people who live in the area. Hot Spring is supposed to be a model community -with Phase 1 consisting of hotel resorts, a Hot Spring Healthy clubhouse, an outdoor hot spring (there are a number of hot spring wells in this area), a water park, a business zone, a Commercial Street, a sports center, and a golf range. Phase 2 features an eco-tourism project -with water as the theme and the highlight. Hot Spring Leisure City will also feature educational institutions, as well as residential communities. Phase 1 was built in time to house several athletes for the 2008 Summer Olympics held in Beijing.

This area was once home to royalty with the Qing Dynasty. It was largely a farming village, with the conversion to Leisure City beginning with a 46-year-old Chinese party secretary who, in 1986, envisioned a model community for all of China to emulate.

The Central Government gave its approval to develop Leisure City in 2005. It sits on more than 700 acres, and will be home to about 20,000 people, and is located near the Wenyu River (Warm Elm), referred to as the "mother river" of Beijing.

NOTE: Beijing, translated, means Northern Capital. After the site tour of Hot Spring Leisure City, the delegation visited a section of the Great Wall of China.

Friday, September 3, 2010 4:00 p.m.

U.S. Embassy

At the invitation of U.S. Ambassador Huntsman, our delegation returned for an extensive briefing by top bureau chiefs in the U.S. Embassy. They included top policy people in education, agriculture, environment, energy, transportation, investment, opportunity, and commercial development. The session began on Friday at 4:00 p.m. and concluded at 6:30 p.m. It was beneficial to each member of our delegation as to developing an understanding of the present situation in China and future demands and objectives of China.

In brief, some of the advice included:

“China knows its economy, is focused on growth from exports and needs to enhance imports as a balance.”

“China is aware that production competition is in their own neighborhood – Vietnam, Korea, Malaysia and Japan.”

“China is changing by the minute, 17 million people in Beijing and 20 million people in Shanghai.”

Friday, September 3, 2010, 4:00 p.m. commentary included:

- Advice: "Personal relationships are everything when you attempt any kind of agreement with the Chinese. It is a slow and gradual process."
- Tip: Even if the agreement is, for example, between a Chinese hospital and a U.S. hospital, the Chinese Central Government in Beijing must still review and sign off on the deal. The central government can expedite agreements as well, as with the case of expeditious processing of visa applications.
- Tip: to assist your community in reaching out to the Chinese: seek the help of students from China who are studying at your local universities or colleges.

Another interesting point: China is fast becoming the "green energy" laboratory for the world (e.g. vast stretches of land in the countryside are available to test new technology, equipment and production plants). There will be about 28 new nuclear reactors in China by the year 2020. Still, for the Chinese, there is heavy reliance now on the "old technology", with about 70 percent of its energy generated by fossil fuels.

U.S. Embassy staff members at the meeting included:

- Andrew Shaw, Unit Chief, Third Country, Energy & Resources (shawax@state.gov)
- Joe Sepulveda, Second Secretary, Environment, Science, Technology and Health (Sepulvedajl@state.gov)
- Ingrid Larson, Director, American Center for Educational Exchange (Larsonid@state.gov)
- Joshua Lagos, Agricultural Attache, Agricultural Affairs Office (Joshua.Lagos@fas.usda.gov)
- Xiong (Alex) Cong, Economic Specialist, Economic Section (xiong@state.gov), a former employee of the Chinese Ministry of Commerce
- Matt Kawecki, Economic Officer (KaweckiMD@state.gov), new to the embassy and very helpful to our delegation
- Todd Lundgren, Public Affairs Section
- Rosemary Gallant, Principal Commercial Officer

Saturday, September 4, 2010

The delegation departed Beijing for the northeastern city of Harbin, Heilongjiang Province. Prior to departure, delegates visited the Forbidden City in Beijing. After arrival in Harbin, the delegation was transferred to the Shangri-La Hotel.

Sunday, September 5, 2010

City Tour of Harbin

Harbin is originally a Manchu word, meaning "a place for drying fish nets." In the past, Harbin was the cradle of the Qin dynasty. In 1949, the Chinese Central government designated Harbin as a major industrial state for the country. At the start of the last century, Russia turned this sleepy fishing village into a cosmopolitan metropolis responsible for administering the extension of the Trans-Siberian railway to the Pacific. This development led to Harbin becoming a major gateway for the West into China.

For the Russians, the city became the largest population of Russians outside their country, especially for those who fled the Russian Revolution in 1917. Harbin is in Heilongjiang Province, nicknamed the "Land of the

Black Dragon River". The Songhua River runs through Harbin -the largest tributary of the mighty Amur River (or Black Dragon).

Because of its international heritage, modern Harbin established 27 sister cities in 23 countries.

- Harbin Museum of International Cities. The Museum of International Cities is housed in what was once the Danish consulate. There are two floor of exhibits featuring the sister cities. Over the past 30 years, Harbin has engaged in international cooperation and exchanges in politics, economics, culture, education, health, science and technology, and sports.
- Following the museum, the delegation took a stroll down the banks of the Songhua River and viewed the Monument for Flood Control Victory in Stalin Park. The monument. stands 13-meters tall, a column that originally commemorated the massive effort of the Harbin people to control a flood that ravaged the area in 1957, but has since been updated to commemorate the victims of another record-breaking flood in 1998.

Lunch Meeting with Harbin City Officials

At the Shangri-la Hotel, the lead official at this meeting was Ms. Wang Li, Deputy Mayor, People's Municipal Government of Harbin. She exchanged greetings and gifts with our delegation leader, President Whitley.

Mayor Wang shared statistics about her city -that there are eight districts, with 10 cities within Greater Harbin. She said the population is an estimated 10 million people. It sits on nearly 54 thousand square kilometers.

The Mayor said her city is developing new industries including equipment manufacturing, chemical industry, food processing. It is also involved in the manufacturing of electrical components (Note: the city does manufacture components that are shipped to Texas, where they are used in the production of cellular phones).

Harbin is also involved in the production of various crops like corn, rice and soybeans with a yield of 10 billion kilos. She claimed her city is No. 1 in China when it comes to agricultural production and animal husbandry. She said there are 40 universities and colleges in Greater Harbin -with 400,000 students enrolled. The Mayor also said her city is ranked 9th in China when it comes to technology and science.

She spoke of the history of Harbin -a history that goes back 900 years to the Qin dynasty. The city used to be home to 19 foreign consulates. The Mayor said Harbin is "abundant in tourism resources", with two peak visitor seasons - featuring in Winter, since 1985, the world-famous International Ice and Snow Sculpture Festival, and in Summer, a cool weather resort-like vacation spot. She said Harbin will be featured prominently as the Chinese Central Government seeks economic expansion to the north (as well as to the south and west).

Also at this meeting were:

- Yu Mulin, Director General, Foreign and Overseas Chinese Affairs Office, Harbin
(Telephone: 86-451-86776511)
- Lianyu Zhang, Chief of Liaison Division, Secretary-General, Foreign and Overseas Chinese Affairs Office, Overseas Exchanges Association, Harbin (zhanglycn@hotmail.com)
- Su Xing, Vice Director, Municipal Development and Reform Commission, Harbin
(Telephone: 0451 -84664156)
- Zhou Linbo, Deputy Secretary, Environmental Protection Bureau, Harbin,
(Telephone: 0451-86776168)
- Jason Xue, Chairman and CEO, Live Chain Technologies Co., Ltd (jxue@sagatechnologies.com). Jason recently became a naturalized American citizen.

Following the meeting, the delegation was invited to a cruise on the Songhua River. The banks of the Songhua are a favorite for sun bathers and recreational fishermen. We saw the development of a golf course in the area. The river banks are also the location of vital wetlands -crucial to flood control, the regulation of river flow and soil degradation, and a preserve for birds and other fauna.

Dinner meeting with Sean Stein, Consul General, U. S. Consulate, Shenyang

Mr. Stein (steinsb@state.gov) boasts a long history with the U.S. State Department, having served at embassies in Lagos, Nigeria, and Jakarta, Indonesia. He was also assigned to the Consulate in Chengdu, China. He was First Deputy Chief of Mission at the Embassy in Dili, East Timor, and was Consul and Principal Officer in Medan, Indonesia. He assumed his current post on August 18, 2010. His Consulate's responsibility is northeast China.

Mr. Stein told the delegation that the Northeastern region of China has much to offer. He said the Chinese like "high-end" goods, luxury items like Ethan Allen furniture, Bentley automobiles, and expensive wines. He said Heilongjiang Province features a Governor who, for 30 years, was involved in bringing foreign investment to Shanghai. He said the province has been a recipient of billions of so-called "Chinese stimulus funds" for traffic infrastructure like high-speed rail, roads and bridges.

He said he recently hosted a meeting with tour agents interested in tourism to, and from, China (he made reference to Hawaii during this statement). Mr. Stein said that some of the best Mayors have been assigned to the Northeast to help

with the economic expansion of the region.

Mr. Stein said because of the wide expanse of the region, and because of government breaks, the Northeast has virtually become the "wind energy capital of the world." He said the Northeast also boasts a large automobile industry - and can take advantage of a major port in the city of Dalian. He did say, however, that development can only occur about 7 months out of the year because of the bitter winter season. He said industries to look out for include high-end machine tools, electrical components, medical technology -but other high technology like coding is not so good. He said the corn processing industry here is one of the biggest in the world.

Mr. Stein feels that there is foreign investment fatigue in Shanghai, widely considered as the economic capital of China. He said there are still deals to be made in Northeastern China with land deals and tax breaks. He said that while there is a large labor pool in China, labor costs have been rising (recently the Chinese told Japanese companies doing business in China that they simply must pay Chinese workers more), and because of that, industries like shoemakers have gone to Vietnam and Cambodia, and textile manufacturers have had to go to India. He said Chinese workers now do not mind living in the central provinces. If companies want them to move to the East along the coast, then they simply have to pay more in labor costs.

Mr. Stein praised NACo for coming as a group -which attracted attention from the Chinese. He said he can help develop relationships between NACo members and their counterparts in China.

He said that visas for Chinese wanting to travel abroad have shot up by 40 percent! He said in order to help Chinese traveling abroad, financial institutions are working out logistics so that merchants, credit card companies and processors overseas can accept Chinese credit cards. (Note: the total number of credit and debit cards issued in China reached 160 million in November 2008, up from 104 million in March 2008. There were only 3 million cards issued in all of 2003).

Monday, September 6, 2010

Growing a wine industry

The delegation traveled to a winery in the outskirts of Harbin city and saw a "grape garden" featuring hothouses that also grow a variety of other agricultural products that is being developed in a partnership between the Dongjin Group of Harbin and Romanians. The partnership came about via a Sister-city relationship between Harbin and the Romanian city of Ploiesti.

It was said that the grapes shipped from Romania are grown along the same latitude with Harbin. Ploiesti is one of the oldest cities in Romania, and sits in the Wallachia region, which shares borders with the regions of Transylvania and Moldavia. Ploiesti itself is an old industrial city -and was the site of the world's first oil refinery, built in 1856. The grapes are grown in a vineyard in Moldavia. Romania has a long history of wine culture dating back 6000 years -one of the oldest wine producing countries in all of Europe.

The delegation tasted wine made from the Bosuioaca de Bohotin grape. The wine features a light red color, with a flavor resembling honeysuckle and ripe juicy peaches. The winery in Harbin will, at times, feature free admission to visitors, who are then supplied with a free pair of scissors, in which case they are free to take home about 5.5 lbs. of grapes!

Chinese wines have appeared on shelves in California and West Canada -but have yet to establish a reputation overseas. In China, however, the domestic wine market is projected to become one of the largest of its kind in the world in a few decades. The largest wine producing region is in Yantai-Penglai, with 140 wineries, producing 40 percent of the wine made in China.

Harbin Siberian Tiger Reserve

The delegation, inside a bus with the windows rolled up and secure, visited what is considered the largest tiger reserve in the world. It sits on more than 1 million square meters, and features some 800 endangered Siberian tigers roaming freely (including lions, ligers, leopards lynx and black pumas), although visitors will only see about 100 or so at anyone time. The preserve was established in 1996.

Songhua River Dairy

Harbin was the site of the September 2008 World Dairy Expo and Summit. Harbin is critical for China's dairy industry: it accounts for one-fifth of the total number of dairy cattle in all of China, and is responsible for one-sixth of the total output of dairy products in China -making it No.1 in the country. In September 2009, Wisconsin Governor Jim Doyle witnessed the signing of an agreement in Harbin between Wisconsin-based Cooperative Resources International (CRI) and the Flying Crane Dairy -one of China's leading producers of premium infant formula and milk powder. CRI is one of the largest U.S. suppliers of cattle semen to China. In 2008, China itself was the third-largest customer for Wisconsin, accounting for exports totaling \$1 .2 billion.

The Songhua River Dairy lies just outside the city, and is a farm where the raw material output is transported

to other companies associated with the parent corporation (the Harbin Gong Da Group, Ltd.) that produces dairy products. This dairy boasts 3,000 head of Holstein, of which 1,600 to 1,700 are milk cows. The dairy produces 7,000 kilos of milk on 243 hectares (corn is also grown here, which is mixed with dried grass and beer malt and fed to the cattle). There are about 450,000 head of dairy cattle in Harbin. (shjnnc2008@163.com).

Gongle Community Health Service Center

This health center in the city of Harbin was previously government-run, and was turned over to the community in 2007. It sits on 2,000 square meters, and is touted as a model for where traditional Chinese medicine is practiced, along with modern Western medicine (of the 260 total health centers in Harbin -there are 96 of this particular type). Each team consists of a community doctor, a community nurse, and a general practitioner.

There is a total of 51 staff -which treats about 20,000 patients a year. The Center offers discounts to the disabled and to soldiers, and offers free physicals to patients 65 years and older. If care cannot be administered here, the staff can refer patient to one of three hospitals in the city.

Dinner meeting with Harbin Deputy Mayor

It was at this function that I announced that I would seek the approval of my colleagues at the Honolulu City Council to support a sister-city agreement with Harbin -subject to the approval of the incoming Mayor of Honolulu. I also met an official of Harbin that will assist in this matter of a sister-city relationship: Ms. Cathy Kai, American and Oceanian Affairs, Foreign and Overseas Chinese Affairs Office, Harbin Municipality (hfao@sina.com.cn).

Tuesday, September 7, 2010

Depart Harbin, arrive Shanghai. The delegation boarded the Shanghai Maglev, the first commercial high speed magnetic levitation line in the world, with a top speed of 301 km/h (187 mph). (I saw it reach 301 km/h on a monitor that is on display in each cabin).

The line is between the Shanghai Pudong International Airport and the outskirts of Central Shanghai. It cost \$1.33 billion to build, and took about 2 1/2 years to complete. We paid roughly \$7 -and it took about 7 minutes to complete our 30 km journey.

Shanghai Urban Planning Center

The delegation toured the Center located in Shanghai's People's Square, adjacent to the Shanghai Municipal Government Building. This 5-story structure, featuring Microlight glass, aluminum paneling, and a membrane-like roof, boasts a huge scale-model of what planners envision Shanghai to be in the year 2020 -with both finished buildings and structures that are planned to be built.

The delegation then transferred to the Hotel Equatorial Shanghai. Ajay Rivers of CPAFFC assumed the escort role for the remainder of the exchange, replacing Michael Shen.

Thursday, September 8, 2010

2010 China International Friendship Cities Conference

The conference was held at the Shanghai International Convention Center. Our host organization, CPAFFC, co-sponsored the event, together with the China International Friendship Cities Association. The conference theme this year was "Better Cities through Cooperation." The conference aim this year was "to provide a platform for Chinese and other countries' friendship cities, local governments, friendship-city organizations and agencies and people engaged in the research of friendship-city management to enhance exchanges and cooperation and promote the flourishing and development of urban civilization."

The CPAFFC recently became a member of the United Cities and Local Governments (UCLG), of which NACo is also a member. The UCLG is an international organization representing local governments around the world. The UCLG will be hosting the Third World Congress in Mexico City November 16 thru 20 this year.

One of the guest speakers at the Opening Ceremony was former President Jimmy Carter. He reminisced about the days when he was a young naval officer in Shanghai. The other guest speakers included Mr. Chen Haosu, President of the CPAFFC, Mr. Edem Kodjo, the former Prime Minister of Togo, Ms. Pilolevu Tuiva, the Princess of Tonga, and Mr. Yu Zhengsheng, the Party Secretary of Shanghai.

Chinese Pavilion, Shanghai World Expo

The Chinese Pavilion has as its theme "Chinese Wisdom in Urban Development." The structure itself -dubbed

"the Crown of the East" -is built in the traditional Dougong style -or interlocking wooded brackets, as was the dominant design of structures in the so-called Spring and Autumn Periods of China (770 to 467 B.C.)

The Pavilion first features a video on multi-screens, which depicts the story of China's vast migration from rural to urban lifestyles. There are other exhibits -including the display of a golden horse carriage borrowed from the Xian terra cotta collection.

Kodak Electronic Products Co., Ltd., Shanghai

Kodak is still a force in the world of photography! About 45 million pictures are taken daily with Kodak digital cameras or film. Kodak boasts 2,500 patents worldwide. Business-to-business is the biggest business for Kodak - particularly in China. Kodak, incidentally, was the first to invent the digital camera in 1975. The company's worldwide revenue last year was more than \$7 billion US. About 40 percent of its business is in the U.S. with Asia second.

The company has been in China since 1928. It is referred to as Kodak Electronic Products and Japan is its biggest customer -but China is closing the gap. More than \$1.4 billion invested in China between 1997 and 2008. Kodak has 1,900 employees in China, with its headquarters and research and development, along with some manufacturing, located in Shanghai. There are manufacturing plants in Wuxi and Xiamen. The basic pay for Kodak employees averages \$200 a month; engineers make an average of \$300 month. Kodak is moving into document imaging, storage and access services. All of which are primary to county government.

Kodak officials we met included:

- Steve Green, Regional Managing Director, Consumer Digital Group and Graphic Communications Group, Asia-Pacific Region and Vice President, Eastman Kodak Co. (steve.green@kodak.com);
- Chris Balls, WW Operations Manager, Output Device and PrePress Service, General Manager, China Equipment Manufacturing, Kodak Electronic Products (chris.balls@kodak.com)
- Cristina Fernandez, vice president of marketing, Asia Pacific Region, Managing Director, South-East Asia, Consumer Digital Imaging Group and Graphic Communications Group (cristina.fernandeZ@kodak.com) (Note: she is set to move soon to Miami, Fla.);
- Polly Ng, Regional Business Director, Asia Pacific Region, Document Imaging, GCG, Kodak (China) Investment Co., Ltd. (polly.ng@koduk.com);
- Kenneth Mei, Managing Consultant, Kodak Solutions for Business, Kodak (Hong Kong) Ltd. (kenneth.mei@kodak.com);
- Raphaela Wong, China Marketing Director, Greater China Cluster, Kodak (China) Investment Co., Ltd. (raphaela.wong@kodak.com)

Welcome Banquet and Boat Cruise

The Welcome Dinner Banquet was held in the Grand Ballroom of the Shanghai International Convention Center. The delegates were then invited to board one of two large boats on a cruise of the Huangpu River. It featured the Shanghai skyline at night.

Thursday, September 9, 2010

2010 International Friendship Cities Conference, Sheraton Shanghai Hotel

The delegation attended one of the breakout sessions, entitled "China -U.S. Sister Cities Forum. Chinese and U.S. speakers generally addressed the need to develop more and stronger ties between the two countries. NACo President Glenn Whitley addressed the audience, along with representatives from states of Minnesota, Colorado and Illinois.

Additional note to the conference: I met officials associated with a delegation from Sister Cities International, which is headquartered in Washington, DC. One man I met was Bill Boerum, Treasurer, with the organization's Board of Directors.

He told me that the organization recently named someone to work with Honolulu on sister-city relationships. Sister Cities International provides services and resources to cities and organizations seeking sister city relationships. The organization can point to 2,000-plus relationships around the world, of which 175 are with cities in China.

The organization started in 1956 -with U.S. President Dwight D. Eisenhower. Michael Hyatt, Chair Emeritus of the organization, shared with the delegates to the China International Friendship Cities Conference an old African proverb: "If you want to go fast, go alone. If you want to go far, go together."

U.S.A. Pavilion, Shanghai World Expo

The theme of this pavilion is "Rising to the Challenge: and tells the story of American perseverance, innovation and community building. There were two videos to watch -one was humorous in that it showed Americans struggling to speak Chinese. The other was a silent video -no dialogue -which featured a little girl struggling to create a garden in the midst of a stark apartment complex. The two videos together presented the

U.S. as a place of opportunity and diversity, where people come together to change communities for the better.

One person we met here was Grace Gao, Protocol Manager, Expo 2010 Shanghai (gracegao@usationalpavilion2010.org).

Paul Taylor, Deputy Principal Commercial Officer, U.S. Commercial Service

Mr. Taylor's office is housed in the Shanghai Centre, which seems to be the home of many U.S. agencies and organizations involved in business with China. The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's International Trade Administration. The Service operates in more than 100 U.S. cities and in nearly 80 countries to help American companies get started in exporting and increasing sales to new global markets. The Service can offer:

- market intelligence;
- trade counseling;
- business match-making; and
- trade advocacy

Taylor got his start in China as the representative for the City and County of Denver, Colorado. He was able to secure necessary business licenses for his client with the help of the U.S. Commercial Service. His agency's counterpart is the China Council for the Promotion of International Trade. Mr. Taylor said the real growth in China is now with the so-called second and third tier cities – places like Harbin. Since his Service does not have the staff and resources – he relies on his counterpart agency and so-called American Trading Centers for contacts with cities like Harbin.

Mr. Taylor advised the delegation that NACo members who want to do business in China should look to their local Chinese communities. He said energy projects are a big deal in China – projects that feature renewable energy resources, energy efficiency, and “green” energy. He said technology that could help divert water from the south to the north is also in demand. Mr. Taylor said no dual-use technology is allowed in China (my note: that would be technology that has both a civilian and a military purpose). He said that for one doing business in China – you have to be “incredibly patient.”

Dinner meeting with Brenda Lei Foster, President

American Chamber of Commerce, Shanghai

Ms. Foster was introduced to the delegation because of my relationship with her that goes back to her service as the head of the Hawaii State Office of International Relations (now the Office of International Affairs, Hawaii Department of Business, Economic Development & Tourism) under then Governor John Waihee.

The American Chamber of Commerce in Shanghai is also located in the Shanghai Centre (one floor below the U.S. Commercial Service). The Chamber is "the voice of American business" in China, considered the largest and fastest-growing American Chamber is the Asia-Pacific region. Founded in 1915, the Shanghai Chamber was the third American Chamber to be established outside the U.S.

Am-Cham Shanghai is a non-profit, non-partisan business organization, committed to the principles of free trade, open markets, private enterprise and the unrestricted flow of information. Ms. Foster also referred us to the U.S.-China Business Council as another resource for information and assistance. (brenda.roster@amcham-shanghia.org).

Also at this dinner: Mr. David Basmajian, the Chamber's Director of Communications and Publications (david.basmajian@amcham-shangnhLorg).

Friday, September 10, 2010

Suzhou

The delegation was able to visit a couple of the more popular tourist attractions near Shanghai, notably Suzhou, a prefectural level city in Jiangsu Province. The municipality is famous for its stone bridges, pagodas, and meticulously designed gardens. It has been dubbed as the "Venice of China." One garden, The Humble Administrator's Garden, or Zhuozheng Yuan, is the largest of its kind in southern China and has been designated a UNESCO World Heritage Site.

The delegation also visited a silk factory. Suzhou is an important center for China's silk industry and the delegation made note of the fact that it takes 2,500 silkworms to produce one pound of silk.

Wrap Up

The delegation at this juncture decided to conduct its debriefing while details of the trip and impressions of China were still fresh in their minds. The following are comments and observations from the various delegates:

Gerald W. "Gerry" Hyland Member, County Board of Supervisors, Fairfax, Virginia

- List expectations prior to the exchange.
- Match businesses from U.S. and China.

Joseph F. Giles, President County Commissioner's Association, Pennsylvania

- Keep schedule "flexible".
- Include opportunity to meet "Chinese" private sector development people in the delegation.
- Meet with Chinese education people.

Nestor Garcia, Vice Chair City Council, Honolulu, Hawaii

- Amazed by the development that has occurred in China and the development that is anticipated. We have been told that the Central Government has plans to develop the north and west of China.
- Was surprised by the openness of the Chinese for relationships with the U.S.
- No noticeable graffiti or litter.

Keith Langenhahn, County Board of Supervisors, Marathon, Wisconsin

- Expected to learn things that would benefit his county and state directly. This was a great learning experience.
- Would have liked more interaction with rural counterparts.

Robert E. Cope, DVM, Commissioner, Lemhi County, Idaho

- So much to learn. Even after this trip doesn't feel he knows the country.
- There is not a lot that his county can do to get business opportunities. Maybe Chinese money for mining, timber, cattle. China needs minerals.

Glen Whitley, Judge, Tarrant County, Texas

- There seems to be business opportunities available to sell product, but how to do this?
- Maybe putting businesses together with the help of people like Paul/Brenda/Michael/Sean.

Valerie Brown, First District Supervisor, County of Sonoma, California

- Doesn't feel she is in the same place. Uncomfortable. Thinks we need a plan

Larry Naake, Executive Director, NACo

- Our expectations were to develop relationships with other government officials. To expose our county officials to the international scene and to work to get county officials involved in trade missions.

International Opportunities for Counties

Valerie Brown: "Counties need a place at the table. Many of us never expected what China is today. Lodi, California has a trade office in Shanghai ... shocking!"

Robert Cope: "Maybe this can be done in regional groups, use our contacts to open doors ... (believes) there are possibilities. Get the state association executives involved in every state."

Gerry Hyland: "Why should any of our counties want to come here? What advantages do the counties that are already here have? Maybe we need a pilot program -5-10 counties get together and have a trade office in China."

President Glen Whitley "What can we do to increase economic development? Maybe a task force, bring people in to talk about the opportunities. Is it safe to invest time and money in China? This is an opportunity to help ourselves. China is clearly "getting ahead" of us. Large construction companies should be rushing here to do business."

On educational initiatives

Nestor Garcia “ ••• get together with educational systems in U.S. and China.”

Giles: “Better understanding of goals in China and U.S. Educational Exchange.”

Whitley Suggested visiting with the University of Texas.

Langenhahn: "Whose job is what?" Plans to get together with Wisconsin extension.

Comments from Michael Shen, CPAFFC

- (NACo) should work with various state governments, which come to China 4-5 times per year for major trade meetings. Get a place for counties in those groups.
- Chinese government sends purchasing groups to the U.S. many times a year.
- 25-30 states have offices in China. Find out which ones they are.

Items for future board meeting

- List of meetings attended and people we met with in China.
- Identify the value(s) of the exchange.
- Persuade Ambassador Huntsman to attend the next NACo Legislative Conference.

Agenda
Amended

Mr. Leone moved to amend the agenda to include a first reading of Ordinance Number 110, 2010, “Approval Of Plan For The Establishment And Operation Of A Community College In Erie County.” Mr. Giles seconded.

Dr. Foust stated that this is an ordinance regarding the Community College. As with other ordinances and resolutions regarding this issue, due to his conflict of interest, he will abstain from voting on this particular measure. As most members are aware, Dr. Foust will be attending an out of town conference on Friday. This conference was scheduled two months ago. Depending on the schedule, he will try to phone in for the meeting.

Dr. Foust called for a vote on the motion to amend the agenda, and it carried in a roll call vote of 5-1-1, Dr. Foust abstaining, Mr. Beeman voting no.

First Rdgs.

Mr. Smith gave first readings of the following ordinances:

Ordinance Number 107, 2010, “Thirty-Seventh 2010 General Fund Budget Supplemental Appropriation For PCCD Grant Funded Training”

Ordinance Number 108, 2010, “Ninth 2010 Public Safety Fund Budget Supplemental Appropriation For Donation Of Multigas Detector”

Ordinance Number 109, 2010, “2010 Erie County Department Of Health Manufactured Home Park Ordinance”

Design. Recip.
LEDA Funds

Mr. Smith gave a reading of Resolution Number 40, 2010, “Designating The Recipient Of LEDA Funds For Erie County.” Mr. Giles moved to adopt; Mr. Leone seconded, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

\$2,500,000
Tax Exempt Note

Mr. Smith gave a reading of Resolution Number 41, 2010, “Erie County General Authority Not To Exceed \$2,500,000 Tax-Exempt Note (Gateway Rehabilitation Center Project).” Mr. Leone moved to adopt; Mr. Fatica seconded, and it carried in a roll call vote of 6-1, Mr. Cleaver voting no.

October 5, 2010

Richard Wachter
Re-appt'd to ECCM Brd

Mr. Giles moved to approve the re-appointment of Richard Wachter to the Erie County Care Management Board; Mr. Leone seconded.

Mr. Giles stated that Mr. Wachter has served one term on the Erie County Care Management Board. He is one of the first members appointed to this board. Mr. Wachter is an accountant and therefore, fulfills the requirement that a member of the board have an accounting/financial background.

Dr. Foust called for a vote on the re-appointment and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

Jackie Breakstone
Re-appt'd to Lib. Brd

Mr. Giles moved to approve the re-appointment of Jackie Breakstone to the Erie County Library Board. Mr. Leone seconded.

Mr. Cleaver stated that was his appointment and Ms. Breakstone has served previously on the board. He has spoken with her. She is very qualified and enjoys the position.

Dr. Foust called for a vote on the re-appointment and it carried in a unanimous roll call vote.

Sale of Parcels From
Repos. Apprvd.

Mr. Leone moved for the Sale of Parcels from the Repository for Unsold Properties at Index Nos. 33-007-019.0-262.50
33-016-019.0-268.89
33-034-172.0-023.40
41-016-087.0-006.00
47-009-025.3-010.38

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

First Rdg

Mr. Smith gave a first reading of Ordinance Number 110, 2010, "Approval Of Plan For The Establishment And Operation Of A Community College In Erie County."

Adjournment

There being no further business, the meeting adjourned at 7:44 p.m.

Ann M. Bruno, Council Secretary
