

November 3, 2010 – Public Hearing 2011 Budget

Dr. Foust, Chairman, called to order a Public Hearing on the 2011 Erie County Budget at 6:00 p.m. in the Erie County Council Chambers. Following the Pledge of Allegiance, 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
Jim Sparber, Director of Finance
Sue Ellen Pasquale, Manager of Accounting

Adjournment There being no public testimony, the Public Hearing was adjourned at 6:01 p.m.

Ann M. Bruno, Council Secretary

November 3, 2010 Minutes of Oct. 8, 2010 Special Mtg & Oct. 19, 2010 Reg. Mtg. apprvd. Agenda Amended. First Rdgs: 2011 Budget ordinances. D&A Revis. Rev & Exp Reduction in Act 152 Grant Rev adopted; PS SA & New Line Item for HAZMAT/LPEC Grant for Air & Waste Mgmt adopted; Gen. Fund SA Cnty Rec. Improve Funds adopted. Gen. Auth. \$500,000 Tax-Exempt Note; Gen. Auth. \$475,000 Tax Exempt Note; \$2,159,185 Tax Exempt Note; \$2,750,000 Tax Exempt Note; \$3,103,422 Tax Exempt Note adopted. In Sprt of Agrmt Btwn Erie Cnty & Carousel Indus. Adoped; In Sprt of Emerg. Notifc. Agrmt Btwn Erie Cnty & Erie Water Works adopted. Doris Gernovich reappointed to Erie County Care Mgmt Board; Sean Wiley reapptd to Erie County Industrial Dev. Auth; Michael Martin reappted to Erie County Redev. Auth. First Rdg.Approve Agrmt Btwn Erie Cnty, Summit Twp & ECGRA.

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, Dr. Foust welcomed a boy scout troop in the audience. The Troop leader introduced the scouts as Troop 59 from Our Lady of Peace. They are present this evening for purposes of earning the Citizen in the Community badge which requires attendance at a community meeting.

Mrs. Loll recited the following prayer:

Our God, we acknowledge that you are the Lord of the nations; that kingdoms, kings and queens and political leaders rise and fall within the purpose and plan that you have for this universe. We thank you for the freedoms that we enjoy as part of this experiment in democracy that we call the United States. We thank you for the freedom of religion; that we can gather to sing of your

faithfulness, to give of our resources, to open your Word, to listen to your voice; and we do it without harassment, intimidation, threat of imprisonment, or persecution.

Following the prayer, 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
Jim Sparber, Director of Finance
Sue Ellen Pasquale, Manager of Accounting

Hearing of the
Public

Gregory Nelson, Jr., Erie, stated that he has an idea to bring in money for the community college. Many major cities or counties have subcontractors for their parking authority. In Erie, people can park wherever they want after 5:00 or 6:00 p.m. He could get in two weeks the amount brought in during the course of a month in parking tickets because no one works at night and people assume they can park wherever they want to park. He believes this is a wise idea and could bring in a lot of money.

Minutes

Mr. Leone moved to approve the minutes of the October 8, 2010 Special Meeting and the October 19, 2010 Regular Meeting. Mr. Giles seconded, and it carried in a unanimous roll call vote.

Finance
Committee

Mr. Fatica reported the Finance Committee met on Thursday, October 28, 2010 and agreed to place Ordinances 114 through 130 relating to the 2011 budget on the agenda. Also on the agenda are ordinances 131, 132 and 133 and the possible adoption of resolutions 46 through 52 along with three reappointments to various bodies and authorities throughout the county.

Personnel
Committee

Mrs. Loll reported there were no personnel items for the agenda.

Dr. Foust explained to members of the audience that the Finance and Personnel Committees meet the Thursday prior to Council's Regular meeting to set the agenda. The committees agree what items should be placed on the agenda at that time. Most of the discussions involving the ordinances and resolutions take place at that meeting.

He further explained that both ordinances and resolutions are on the agenda. Ordinances appropriate funds and require two readings and are not voted on at the first meeting. Resolutions generally do not directly appropriate county funds and can be read once and voted on. Resolutions on this evening's agenda will be voted on and either pass or fail. Sometimes, for purposes of efficiency, ordinances will be moved from a first reading to a second reading. There are advantages to moving these ordinances along.

Mr. Fatica's Report

Mr. Fatica reported that he attended the 70th anniversary of the West Ridge Fire Department Awards Dinner on October 23, 2010. For someone who may live in the city, 70 years of a volunteer fire department is hard to imagine. One of the awards was given to the call takers at the 911 Call Center. Two very dramatic tapes were played, one in which the call taker was informed that a man had collapsed in the driveway and the call taker was giving instructions to the wife as to how to handle the situation.

The second call involved a husband whose wife had collapsed in the living room. The call taker again gave specific instructions calmly and professionally to the West Ridge Fire Department.

This was an award for the cooperation between these two units and how they worked together. In both cases, the people were rescued and are recovering. The woman who was rescued said that she had seen the people working on her but didn't want to help them and didn't care. She saw the white light that is often talked about; her sister came to her and said it was not her time and that she had to go back. Mr. Fatica noted this was a good story and this woman will talk about it when she is released from the hospital.

These situations point out that the people training at the 911 Call Center are very professional and very capable.

Mr. Giles'
Report

Mr. Giles reported that the Erie County Criminal Justice Coalition Committee on Corrections met today. Video conferencing is an issue that Council has been very tuned into and aggressively supporting, as well as the administration. The agenda for the meeting included a review of the trends in the prison population for the past three years, a progress report on pre-arraignment detention, which is a significant problem in most counties, and the forensic in-patient treatment and services regarding both substance abuse and mentally ill offenders.

Mr. Giles further reported that effective July 6, 2010, a program was created for arraignment detention at the Erie County Prison which impacts all of the district judges outside of the city. Video arraignments are being used and a report details the number of individuals who have been processed by video arraignments. This has saved time both on the part of the arresting officer and the district judge. At this point, only two district judges have not used this system, but it is not driven by their choice; it is driven by the officer involved. Some district judges have used video conferencing significantly and it does have a cost effect.

Mr. Giles also reported that there are several paintings in the Blasco Library. He received a letter from Menconi & Schoelkopf Fine Art, LLC regarding a certain painting:

June 30, 2010

Mr. Joseph F. Giles
County of Erie
Erie, PA 16503

Dear Mr. Giles:

I hope this note finds you well and enjoying the summer. I have not written to you in some months and I thought it might be an appropriate moment for me to bring you up to speed on some of the developments in the art market over the past 12 to 36 months. The cataclysm in the financial market caused a fairly severe and very swift recession in the art market as well. We saw a period of tremendous restraint in the behavior of buyers and sellers and there were very few notable transactions in 2008 and 2009 in the field of American art. Amazingly, this shift in the art market seemed only to last for about 18 or 24 months and the rather acute depression has been accompanied by a steady thaw.

We are already finding that the market is returning to healthier days. Not surprisingly, the area that has recovered quickest is the high end of the market, with more important objects achieving world record prices at auction and through gallery sales. Take note for example of the Picasso painting that was offered in the most recent sales of modern and impressionist art auctions and achieved the rather extraordinary price of \$106,000,000. This is a difficult number to conceive for the acquisition of a single work of art.

These very stunning high end prices ultimately have very little to do with the individual appraised values in our field of interest but they help to set the right tone for a sturdy recovery and transition back to healthier levels of transactions in the overall art market. In the sale of important objects by the American impressionists and the painters of the Hudson River School and surely for the American modernist painters and sculptors, we are seeing higher prices today than we have ever before. For example, we recently sold an important sporting painting by Frank Benson for more than \$3,000,000 which is nearly double the highest price ever achieved at auction for a similar work of art. And we have sold paintings by Georgia O'Keeffe and other modern artists for world record prices as well.

In discussions with some of our clients, we have learned that an updated insurance appraisal is very often a good process to consider at this time as our thoughts about the values of some works have changed tremendously over the past few years and there are often some pleasant surprises for the owners. If you feel you would benefit from having an updated appraisal of the collection for insurance purposes, it would be our pleasure to visit you and to have the chance to present you with a fair market value or insurance appraisal.

It may interest you to know that we are confident that we could find a buyer for the County's stunning Childe Hassam painting at the price of \$5,000,000 less a 10% commission to our firm. Late last year I had other business in Erie and I drove by the Library to see the Hassam and the other paintings. The Hassam is a masterwork, it appears to be in good condition and it is an extraordinarily rare and important work of art. In my previous appraisals over the past 12 or so years, I was suggesting a much lower figure. Now that I have seen the painting in the flesh and had the opportunity to consider its beauty and scale, I feel there is no question that I could achieve an extremely high price for the scale.

As always, this note comes with my best regards and the sincere hope that you will pay me a visit when you are next in New York City. If you wish to discuss the Hassam, Potthast watercolor and other works from the collection, I would be delighted to meet with you or speak with you on the telephone at your convenience.

All best regards,

/s/ Andrew Schoelkopf

Mr. Giles'
Report

Mr. Giles noted that perhaps the insurance on this item should be checked into. The last time this discussion was held, the range was approximately \$1 million. Now the appraisal has indicated that this painting is worth somewhere near \$5 million, it is more valuable. The painting is enclosed in glass. There is also an Audubon collection which Mr. Giles is sure is extremely valuable as well. There are several items from the days when the library was located on Perry Square and people would donate these things as part of their will. They are in the care and trust of the County. When Michelle Ridge was head librarian, she suggested that when looking for resources to relocate from the deteriorating building, this may provide that opportunity. An appraisal was done based on a photocopy. Now that the painting has actually been seen, it has certainly upped the ante. Some of these items never even see light such as the Audubon collection which is very fragile.

Mr. Giles noted that the debate as to what should be done goes forward – whether the County should keep these items. Mr. Giles understands the pros and cons of the issue, but felt some obligation after receiving this letter to make everyone aware of the painting's value. Some money had been advanced to Mrs. Ridge to have it restored professionally. There needs to be an awareness of its value, care, custody and insurance.

First Readings

Mr. Smith gave first readings of the following ordinances:

Ordinance Number 114, 2010, "2011 Domestic Relations Fund Budget"

Ordinance Number 115, 2010, "2011 Planning Fund Budget"

Ordinance Number 116, 2010, "2011 Library Fund Budget"

Ordinance Number 117, 2010, "2011 Public Health Fund Budget"

Ordinance Number 118, 2010, "2011 Public Safety Fund Budget"

Ordinance Number 119, 2010, "2011 Pleasant Ridge Manor Fund Budget"

Ordinance Number 120, 2010, "2011 Pleasant Ridge Manor Depreciation Reserve Fund Budget"

Ordinance Number 121, 2010, "2011 Health Choices Fund Budget"

Ordinance Number 122, 2010, "2011 Drug and Alcohol Fund Budget"

Ordinance Number 123, 2010, "2011 Children and Youth Services Fund Budget"

Ordinance Number 124, 2010, "2011 Mental Health/Mental Retardation Fund Budget"

Ordinance Number 125, 2010, "2011 Liquid Fuels Fund Budget"

Ordinance Number 126, 2010, "2011 Gaming Fund Budget"

Ordinance Number 127, 2010, "2011 Debt Service Fund Budget"

Ordinance Number 128, 2010, "2011 Employee Fringe Benefit Fund Budget"

Ordinance Number 129, 2010, "2011 General Fund Budget"

Ordinance Number 130, 2010, "2011 Real Estate Tax Levy"

Agenda
Amended

Mr. Giles moved to amend the agenda to include Ordinances 131, 132 and 133 for second readings and to add Ordinance 134, 2010, "To Approve The Intergovernmental Cooperative Agreement Between The County Of Erie, Summit Township, The Municipalities Contiguous To Summit Township And The Erie County Gaming Revenue Authority" to the agenda.

For the benefit of members of the audience, Mr. Giles explained that ordinances normally have two readings which are spread apart by two weeks. Council just moved three ordinances that are somewhat routine in nature and pushed them forward. Ordinances 114 through 130 are budget ordinances which will be dealt with at the meeting which is the budget meeting and can be lengthy.

D&A Revis. Rev.
& Expen Reduc
In Act 152 Grant

Mr. Smith gave a second reading of Ordinance Number 131, 2010, "2010 Drug & Alcohol Abuse Fund Budget Revised Revenue And Expenditures Reduction In Act 152 Grant Revenue." Mr. Giles moved to adopt; Mrs. Loll seconded, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

HAZMAT/LPEC
Grant for Air &
Waste Mgmt

Mr. Smith gave a second reading of Ordinance Number 132, 2010, "Tenth 2010 Public Safety Fund Budget Supplemental Appropriation And Creation Of New Line Item For HAZMAT/LPEC Grant For Air & Waste Management." Mr. Fatica moved to adopt; Mrs. Loll seconded and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

Gen. Fund SA
Rec. Improve Fund

Mr. Smith gave a second reading of Ordinance Number 133, 2010, "Thirty-Ninth 2010 General Fund Budget Supplemental Appropriation Of County Record Improvement Funds." Mr. Giles moved to adopt; Mrs. Loll seconded.

Mr. Giles explained that the state created a surcharge fee on realty paperwork done in the Courthouse. This money is pooled together but must be utilized for technology, computers, record issues and property issues. This fund can build up depending on the number of property transfers during the year, and in this case it amounts to \$140,000. A committee determines what record systems are used and how they work including computerization and storage of records. That recommendation comes to Council to make the decision. This is a specially created fund used for records within the county property system.

Dr. Foust called for a vote on Ordinance Number 133, 2010, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

Dr. Foust explained for the audience's edification, that the General Authority is a county authority which receives governmental funds; these are not technically county funds, but Council must approve the uses that the General Authority has agreed to spend on these different economic development projects.

Gen. Auth. Not To Exceed \$500,000 Tax-Exempt Note

Mr. Smith gave a reading of Resolution Number 46, 2010, "Erie County General Authority Not To Exceed \$500,000 Tax-Exempt Note (Perseus House Charter School Of Excellence Project)." Mr. Giles moved to adopt; Mr. Leone seconded.

Gen. Auth. Not To Exceed \$500,000 Tax-Exempt Note

Mr. Giles explained that the funding for many of the projects being dealt with through these resolutions, which are read once and then voted on, involve stimulus dollars. In many cases, people are not aware that is where the funding is coming from that this authority is using. These are tax exempt notes and are used for very public purposes which must be announced as well.

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

Gen. Auth. Not To Exceed \$475,000 Tax Exempt Note

Mr. Smith gave a reading of Resolution Number 47, 2010, "Erie County General Authority Not To Exceed \$475,000 Tax-Exempt Note (Healthcare Ventures Alliance Project)." Mr. Cleaver moved to adopt; Mrs. Loll seconded, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

Gen. Auth. Not To Exceed \$2,159,185 Tax Exempt Note

Mr. Smith gave a reading of Resolution Number 48, 2010, "Erie County General Authority Not To Exceed \$2,159,185 Tax-Exempt Note (Sunburst Electronics, Inc. Project)." Mr. Giles moved to adopt; Mr. Cleaver seconded.

Mr. Giles explained that not all of these projects are for not-for-profit agencies. Sunburst is a private employer, but part of the hook to this deal is that with these funds, they will be able to expand their company's product and increase hiring. There will be more jobs and an expanded private sector base.

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

Gen. Auth. Not To Exceed \$2,750,000 Tax Exempt Note

Mr. Smith gave a reading of Resolution Number 49, 2010, "Erie County General Authority Not To Exceed \$2,750,000 Tax-Exempt Note (TSK Partners, Inc. Project)." Mr. Leone moved to adopt; Mr. Giles seconded, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

Gen. Auth. Not To Exceed \$3,103,422 Tax Exempt Note

Mr. Smith gave a reading of Resolution Number 50, 2010, "Erie County General Authority Not To Exceed \$3,103,422 Tax-Exempt Note (Community Integration, Inc. Project)." Mr. Giles moved to adopt; Mr. Leone seconded, and it carried in a roll call vote of 6-1, Mr. Beeman voting no.

In Sprt of Agmt
Btwn Erie Cnty
& Carousel
Indus. Avaya
Hardware

Mr. Smith gave a reading of Resolution Number 51, 2010, "In Support Of Four Year Agreement Between Erie County And Carousel Industries For Avaya Software In Public Safety." Mr. Leone moved to adopt; Mr. Fatica seconded.

In Sprt of Agmt
Btwn Erie Cnty &
Carousel Indus.
Avaya Hardware

Mrs. Loll moved to amend the resolution as follows:

RESOLUTION NUMBER 51, 2010

In Support Of Four Year Agreement Between
Erie County And Carousel Industries For
Avaya ~~Software~~ **Hardware** In Public Safety

BE IT RESOLVED by the County Council of the County of Erie, that the four year agreement between Erie County and Carousel Industries for Avaya ~~Software~~ **Hardware** in the Erie County Department of Public Safety attached hereto as Exhibit A is hereby approved.

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

In Sprt of Emerg.
Notif. Agrmt Btwn
Erie Cnty &
Water Works

Mr. Smith gave a reading of Resolution Number 52, 2010, "In Support Of The Emergency Notification Agreement Between Erie County Government And Erie Water Works." Mr. Giles moved to adopt; Mr. Cleaver seconded.

Mr. Giles explained that this involves a relationship that the County has through the 911 Emergency Call system and the Erie Water Works which provides water for a good portion of Erie County. Should there be a problem with the water system, such as a terroristic attack or a problem through nature, this is a warning system that would affect all citizens in Erie County relative to the water supply. This does affect all of our lives. Mr. Fatica noted that this involves the 911 Call Center.

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

Doris Gernovich
Reappt'd to ECCM Brd

Mr. Giles moved to reappoint Doris Gernovich to the Erie County Care Management Board. Mr. Leone seconded, and it carried in a unanimous roll call vote.

Sean Wiley
Reappt'd to
Indus. Dev. Auth.

Mr. Leone moved to reappoint Sean Wiley to the Erie County Industrial Development Authority. Mr. Giles seconded, and it carried in a unanimous roll call vote.

Michael Martin
Reappt'd to
Redev. Auth.

Mr. Leone moved to reappoint Michael Martin to the Erie County Redevelopment Authority. Mr. Fatica seconded, and it carried in a unanimous roll call vote.

First Reading

Mr. Smith gave a first reading of Ordinance 134, 2010, "To Approve The Intergovernmental Cooperative Agreement Between The County Of Erie, Summit Township, The Municipalities Contiguous To Summit Township And The Erie County Gaming Revenue Authority."

Adjournment

There being no further business, the meeting adjourned at 7:38 p.m.

Ann M. Bruno, Council Secretary
