

ALLEGHENY COUNTY COUNCIL

2010 BUDGET HEARING

- - -

BEFORE:

Richard Fitzgerald	-	President District 11
Charles J. Martoni	-	Vice President District 8
Chuck McCullough	-	Council-At-Large
Matt Drozd	-	District 1 (via telephone)
Jan Rea	-	District 2
Vince Gastgeb	-	District 5
Joan Cleary	-	District 6
Robert Macey	-	District 9
William Russell Robinson	-	District 10

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

Thursday, October 29, 2009 - 4:00 p.m.

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Pittsburgh, PA 15219
(412) 232-3882 FAX (412) 471-8733

IN ATTENDANCE:

James Flynn - County Manager
Michael Wojcik - County Solicitor
Jared Barker - Director, Legislative Services
Jennifer Liptak - Budget Director

CHAIR ROBINSON: Allegheny County Council Committee on Budget and Finance, with the hour of 4:00 having arrived. Allegheny County Council's Committee on Budget and Finance public hearing scheduled for Thursday, October 29, is now in session. We don't have any public speakers who were listed. Is there anyone in the audience who is not on our list of presenters? Seeing none, I presume that means that there are not any public speakers at this time. The Chair is going to change the schedule. We're going to have Mr. Flynn give us the 2010 Proposed Revenue Sources related to the capital budget, and then Ms. Griser will be available later to do the capital budget.

The capital budget will still need to be done after we hear from the Port Authority and Community College. If Mr. Flynn finishes and the Port Authority is not here, we'll go with Community College. Since we're not taking any votes, no roll will be called. The Chair will recognize members of Council during the questioning period. Operating revenue, we're going to be talking about; operating revenue 2010. If there's no unreadiness, Mr. Flynn, feel free to come forward. Mr. Drozd, are you on the phone?

MR. DROZD: Yes, I am, Mr. Chair.

CHAIR ROBINSON: Okay. Everyone be aware that Mr. Drozd is on the phone and will be listening to our conversation, as well as and I'll give him an opportunity to ask his questions at the appropriate time. Mr. Flynn, if you would identify yourself and Ms. Griser, and then the floor is yours.

MR. FLYNN: Thank you. Good evening, Mr. Chairman and members of the Budget and Finance Committee. I'm Jim Flynn, the County Manager. With me is Director Griser, Amy Griser, Gregory Casciato and Pete Schepis for the Budget Department. Clarence Hobsis is available for adaptive session, as well will be Director Griser --- Director Olczak and Director Baechle. Since Mr. Fitzgerald stole my thunder on some of the property tax stuff, I'm just going to gloss over that real quick --- last night. Just kidding.

We're going to use a combination of handouts tonight. We're going to use the booklet that we sent --- that we distributed last night, as well as the information that Ms. Liptak and Mr. Barker have just passed out. What

I'd like to do is start on page 14 of the booklet that we passed out last night.

CHAIR ROBINSON: The book that you're referencing ---?

MR. FLYNN: Is titled 2010 Comprehensive Fiscal Plan Presentation to Allegheny County Council, October 28th and 29th.

CHAIR ROBINSON: Everyone should have a copy of that in front of them. Okay. Proceed.

MR. FLYNN: On page 14, I spoke to you about a brief overview of the differences in our operating revenue budget from the 2009 adopted budget to the 2010 proposed budget. There was only ---. The total 2009 adopted budget, right down at the bottom, was \$762,710,000. That was the --- once again, that would be a mock budget that was adopted by Council and approved --- or signed off on by the Chief Executive.

The 2010 proposed revenue budget that the Chief Executive proposed in his Comprehensive Fiscal Plan to Council at the first meeting in October --- or actually, it was the last meeting in September --- has a total revenue resources of \$773,480,122; that precise this year, down to the dollar, for an increase year over year of \$10,770,000. You know --- once again, to kind of dovetail on what we said last night on the appropriations side, we've done a very good job managing our appropriations with County Council and the department's assistance.

And we've had to do that because our revenues have been fairly stagnant. We haven't had a major increase revenue sources. And as you can see, coming down the Variance column, taxes --- the subtotal of taxes, we're anticipating a slight decrease of \$390,000. That includes property taxes, 4 percent RAD sales tax, the drink tax and car rental tax. For Federal taxes our Federal revenues are projected to go down approximately \$5,000,000; \$3.5 million is in Children, Youth and Family Services and \$1,000,000 in the jail.

The reduction in the jail revenue is primarily related to the U.S. Marshall's contract. You know, we're just not seeing the bodies from the Marshall contract or from Immigration, Customs. They're going to other facilities. The State revenue --- total State revenue shows a decrease of approximately \$5,000,000. If you look halfway up in that section, you'll see a line item called Act 53 PA Gaming Economic Development. The 2010 proposed

revenue from that fund was zero, where we had the adopted budget of \$10,000,000 last year. So that's showing a decrease in State revenues of \$10,000,000 just on that one line item. And as you recall, that's the gaming money that we have intercepted to pay off the debt related to the County Airport. You know, our original debt was about \$42,000,000 over the last three years. We've recovered all of that, and I'm pleased to say, Director Griser sent out an e-mail today saying that we received the last installment via wire transfer today. So the \$42,000,000 the County had incurred in debt to complete the airport back in 1995, I believe, we've finally recovered that. And that was through State legislative action on the Gaming funds. That's part of the \$150,000,000 that was earmarked from Gaming revenues for debt service, development and economic development around the airport.

So now that we've recovered our \$42.5 million, the balance of those funds that we received on an annual basis for the next 10, 12 years, will be remained to the airport for their debt service; their additional debt service or economic development activities. But this year and the year until the State revenue, there's a \$10,000,000 hole that we've had to try to overcome this year. The Department earnings and charges and fees are going up from \$75.6 million in 2009's adopted budget to \$81.7 million for the proposed 2010 revenue budget. And that's a \$6,087,000 increase; \$6 million of that increase is our estimate for the gaming and host fees.

So other than that, that will be a flat line item this year. We talked a little bit last night ---. I think Council President Fitzgerald has some questions about interest earnings. As you can see, our Comprehensive Fiscal Plan in 2010 budgeted line item for interest earnings is \$1.9 million compared to the adopted 2009 budget of \$3.9 million. So that's a \$2 million decrease on that line item. And that's strictly --- it's all of our revenue forecast and projections that we presented in the fiscal plan this year, as well as previous years.

We are very conservative when it comes to budgeting revenue. You know, it's the safest way to be, rather than being overly aggressive and not hitting our revenue targets. So the reduction in interest earnings is just related to the economy and the interest rates that are out there. I do want to call attention to a line item

three lines down from interest earnings; it's called Operating Transfers net. Its \$32.7 million on the proposed 2010 revenue budget, compared to \$3.7 million on the 2009 adopted budget. That's an increase of \$29,000,000. And that increase, as you recall, when the Chief Executive presented his CFP in September, he talked about using \$30,000,000 of the reimbursements from capital projects. Previously, we would borrow those funds and then use those reimbursements to pay down our debt service. This year, as a one-time adjustment to the budget, we're taking \$30,000,000 of reimbursements. And that's primarily going to be the remaining Rankin Bridge reimbursements and maybe some other capital project reimbursements we're receiving from the State that we're going to use to fill the hole in the 2010 budget.

And that was a one-time adjustment. And we anticipate --- we've identified --- the County Executive has identified five or six other revenue enhancement and appropriations reduction initiatives that will be presented when we present the 2011 Comprehensive Fiscal Plan. So this is just a one-time adjustment. As I testified last night, this is the only one-time adjustment that we budgeted in the 2010 CFP. We haven't included any sales of County facilities or any one-time revenue sources, other than this line item.

So that gives the --- kind of --- overview of where we are; how we're getting from the 2009 adopted budget to the 2010 proposed budget. But if you turn to page 15 in that same book, this just goes ---. This shows the total adjusted tax levy. That's basically the tax bills from '04 through '09. And as I mentioned last night, per our tax levy --- our total adjusted tax levy has increased from \$258,000,000 in 2004 to \$270,000,000 in 2009. So we've had about an \$18,000,000 increase --- or a \$4,000,000 increase --- I'm sorry --- in adjusted tax levy.

Our total collection of the current levy was \$254,000,000 in 2004, compared to \$257,000,000 in 2009. So even though our tax levy is increased by \$12,000,000, the collections have only increased by about \$3,000,000. And that's evident in the next column, over the percentage of adjusted tax levy. We had in 2004 --- we had 98.5 percentage collection, compared to a projected 2009 percentage collection of 95 percent. And I think that I testified last night, that's primarily attributed to the

economy, where people just aren't able to make ends meet. The last column on this page talks about the number of property tax appeals. Ms. Cloonan (phonetic) testified last night from RAMP about the unstable housing market; the real estate market in Allegheny County. This Council, for the past eight years, has maintained the property tax millage rate without increasing it. And I think that's a testament to good budgeting, as well as, the execution by the Department Directors of the budgets that they adopted by the County. And as you can see, in 2004 we had 12,369 appeals. That went up a little bit in 2005 and 2006 in anticipation of the reassessment that was coming through the Court Order. But we never implemented that. And you can see in 2007, '08 and '09, we've had between 4 and 6,000 appeals each year.

And that was pretty indicative of a stable property assessment --- yes, property assessment market. Those numbers were 12,000, 6,000, 4,000. That was above the average of the property assessment appeals that the County incurred before savoring the assessment in 2001. That was a kind of normal --- normal transactions. On page 16, it shows the forecast and the projected sales tax revenue from 2006 through 2010. In 2008, we had sales tax revenues of 1 percent RAD money. As we see, we had \$40.35 million in 2008. We're projecting a little bit of a dip in 2009, down to \$39.83 million.

And then our CFP we're forecasting for 2010, \$40.3 million. So, within those two to three years there's really nothing more than really half a million dollar swing. I'm going to let Director Griser go through the Sales Tax Analysis Comparison for 2008-2009, actual tax receipts, on page 17 of that book.

MS. GRISER: Thank you. Page 17 simply shows a month by month comparison of what was actually received in 2008 versus 2009. And it achieves the --- you can see how the amount of \$39.38 million was calculated for 2009. This is a cash basis schedule. In the end when the Controller's Office closes out the books, they will remove January and February from 2009, because that actually represents activity that was generated here in Allegheny County in November and December.

We receive our monies about two months after the fact. So we're hopeful that that projection may be a little low --- if the holiday season this year improves. It was \$4,081,000 in 2008, with December's activity in

2007. In 2008 it was \$3.9 million --- in 2008. So we're watching that \$1,000,000 variance in our budget as we go into the holiday season. The next schedule, Schedule 18, is important for Council members and for all of us to understand what local money that is assessed through real estate taxes and drink tax ---. The amount that it leverages from State and Federal sources --- that is the intent of the schedule. We are able to drop \$1.1 billion of State and Federal funds directly as a result of these local dollars appropriated in our year's budget. Human Services; that includes Children, Youth and Families, mental health and mental retardation that's community service grants. Juvenile Court placements are also part of the Children and Families program and administered by the Court; Shuman Center.

So \$33,000,000 is primarily the Children, Youth and Families, but there are some small parts for mental health/mental retardation there, as well. The Health Department for public safety expenditures, every dollar spent on those efforts, we fund \$.50 and the State funds us, \$.50. That's Act 312 Funding. And Community College; the current appropriation in our proposed 2010 Comprehensive Fiscal Plan is \$21.9 million. Community College receives approximately \$42,000,000 from the State, and they receive approximately \$44.7 million from tuition, book stores and other miscellaneous revenue generated.

The Port Authority; their local match is the same as it was in 2008. We have a meeting with them. That will leverage every dollar available at the State level and Federal Highway and State PennDOT monies. And the total is there for you to see. So \$86 million --- \$86.5 million of local dollars draws about \$1.1 million in State and Federal Funds. Page 19 is a fold-out. If I were to take some time to get into some of the details of this budget, \$773 million ---. And the intent of this sheet is to show what revenues are realized directly in departments with State and Federal budget leverage, with debt services; so that Council may appreciate and understand, if you cut certain costs, you're also cutting revenues that are drawn by those expenditures.

So the very first column there just provides a recap of the appropriation included in the Comprehensive Fiscal Plan for 2010 by departments, and you have all seen that. The next column provides the direct departmental revenue that is generated, some are smaller than others.

Coming down onto the police, we assess --- we charge the police officers that are assigned at the airport. Their salaries are billed to the airport, so that revenue item there. We get a public safety grant in from the State, and that recovers some homicide, general investigative and narcotic police costs. That's that revenue there. The parks, that is the RAD and, also, about \$4,000,000 in fees that are generated by our swimming pools and our golf courses and all parks' facilities. So that's primarily RAD with fees included as well. Non-departmental revenue is all the money that --- where there's largely discretion as to how we can spend those funds. We put them in a place in the budget called non-departmental.

Kane Regional Centers; that's the Medicaid monies coming in --- the private Kane revenue receipts. The Health Department; we talked about --- on the previous slide. And Human Services; we also talked about Children and Youth Families State and Federal Fund over previous slide. So that just gives you a break-up by --- all of the revenues and where those revenues come in. And if you take this next column, we've redistributed the RAD because the RAD monies that come into the parks --- it funds the police their side of the parks. So that's the first number, \$4,486,000. We're taking that portion of the RAD monies, approximately \$12,000,000 in RAD money that comes into the park, and we're moving it to where the costs are incurred; parks police, parks maintenance. And all the way at the bottom there's some debt service that was incurred for park projects that we're able to bill into the RAD projects.

Other significant dollars redistributed; we moved the liquid fuel tax, which is deposited into each departmental revenue. But that fund's solely for the maintenance under Public Works. So we've moved those revenues up to Public Works. Column B there is simply a math calculation taking the total revenues and adjusting for adding into other revenues that were redistributed. And if you --- the costs ---. Column C is simply a calculation taking the first column of appropriation and subtracting off revenues.

Then what we're going to get to is, the following column there, you can see there that we've left the non-departmental revenues right in the middle of the page; since we have discretion as to how to spend those. So when you remove those and the column just to the right

of that, that gray line going down the middle of the page, there's the 373 by departments. This is really the expenses that are financed by local taxes, these costs here. But as we discussed, there's revenues that leverage State and Federal Funding. So what we've done, we've pulled those off. We pulled off the Port Authority, the Community College, the Health Department's Public Safety costs and the Children and Families costs. And we've pulled off debt service, as well, because it's critical that we maintain debt service and make those payments. So the point of this exercise is that the \$226,000,000 are truly discretionary dollars that could be adjusted. And you have an impact of adjusting local tax dollars, as well.

MR. FLYNN: To say it another way; this is a very confusing schedule, but this is an excellent representation of where our revenues go. The County has \$773,000,000 that was budgeted for revenues. Of that \$773,000,000, only \$226,000,000 of that revenue can be adjusted without any impact to other revenue sources. Most of the other revenues, the \$700---, the \$550,000,000 of revenues that were received are used towards matching for grants, providing services, offsetting the fees and other revenue sources that we receive.

So if Council was going to make any adjustments, I think what Director Griser is saying is, the final column on the right-hand side is \$226,000,000. That's actually what's paid by the local taxes, by the property assessment taxes. Any other departments that you would make adjustments to would have an impact on our revenue. So if you're going to decrease our appropriation ---. For example, look about a third of the way up where it says, Act 148 Funded Departments. You'll notice that in the far right-hand column, there's a zero for the Department of Human Services.

That's because everything that we budget for Human Services is used to drive other revenues, other reimbursements from the State and Federal governments. So we don't have any opportunity ---. If we would reduce funding in the Department of Human Services, we would have to reduce our revenues, as well. So anything in this far right-hand column, we can make reductions or changes to the projected appropriations. And those changes will not have any revenue impact. And I think that's important, because you would think that we have a \$773,000,000

revenue budget; that we should --- you know, to take \$50,000,000 from here and put it on this line item.

We can't do that because with the exception of this \$226,000,000, everything else will have a significant revenue by changing the appropriation. Okay. Mr. Barker, we're going to switch from the book that we handed out last night that we've been going through right now, to a hand-out entitled, Comparison of County-wide Revenues: 2010 versus 2003.

CHAIR ROBINSON: Is there any member that does not have the document that Mr. Flynn is referencing? I believe this is it (indicating)?

MR. FLYNN: Yes, sir.

CHAIR ROBINSON: Everybody has this?

MR. MARTONI: Oh, yes.

MS. CLEARY: We have it.

CHAIR ROBINSON: Okay. Mr. Flynn.

MR. FLYNN: And this is --- you know, we always try to benchmark ---.

MR. DROZD: Excuse me.

CHAIR ROBINSON: Mr. Drozd? Mr. Drozd, obviously, you don't have it. You're going to have to depend upon ---.

MR. DROZD: I think Mr. Flynn is doing a good job. I can see the illustrations visually in my mind.

CHAIR ROBINSON: Okay. Very good. Mr. Flynn?

MR. FLYNN: I mentioned benchmark and Councilman Drozd really perked up, since he always raises the issue of benchmarks. We simply --- this administration has benchmarked back to 2003. That was the start of the County Executive's first term. So we always go back and calculate and compare what the revenues were in 2003 versus what we are projecting in our fiscal plan. As you can see ---. I'm not going to go into a great level of detail. Maybe what we'll do is just go to the very bottom line; you know, Director Griser and her staff or I will be there to answer any questions you have on the line item detail.

And suffice it to say that the revenues on an annual basis have been relatively flat. We haven't increased our tax millage rates. We've implemented with Council the drink tax and car rental tax. That's been the most significant change to the tax --- to the revenues that we've seen. But on an annual basis, our increase to revenue has been about 2.2 percent. That's on the very

last page; probably, the second line up. And if you recall, our appropriation worksheet that we compared 2003 to 2010, has been increasing at 2.2 percent.

So our appropriations have lived within our means, so to speak, on the revenue side, and it hasn't been easy. If these revenues were much higher, we could provide different services or additional services. But this is the hand we're dealt with. Our Federal and State revenues have been decreasing. I just showed the comparison just for the one year from '09 to '10, the various changes there. Everything else has been relatively flat. You know, we have some slight increases in fees and things like that. And we work very closely with Council to try to raise those fees where possible. But the whole purpose of this is just to show that on an average annual basis, we are living within our means. We're not appropriating any more than our revenues will permit us to. What I'm going to ask Director Griser to do ---. We talked last night about our debt service and as far as appropriation and the blimp that's occurring in 2010 for debt service. So I'm going to ask Director Griser to explain that and the graphics in the hand-out labeled, Allegheny County Capital and Debt.

MS. GRISER: Okay. If you turn to the hand-out with the fountain on the front, the page that looks like some kind of a geology study, what this does is represent every one of our bond issues that have been issued and where their debt service occurs. You may recall that this year we issued \$80,000,000 general obligation bond, which was C-62. That's layered on top; that's that red checkered color debt service. But as you can see, in 2010 we are over the \$70,000,000 mark, which got a little scary. A lot of it, though, is related to this peach color down in here, Series C-48. It makes up a large chunk of what we will owe in 2010.

The good news is, in 2011 that drops off and its level. And its level for a while out into --- past 2015, and it drops. Now of course, it won't stay there because we will have to borrow again for future capital purposes. But the point being is; I wanted to provide in an illustrative manner our total debt service by bond issue, and the fact that it is in fact dropping off in 2011. The next schedule in your document is to provide you with a high level recap of the years and the bond issues that

were issued and any significant capital projects that were going on in those years.

So in 2002, the prior administration had issued bonds for the fiscal years of 2003 and 2004. That was back when we were a standard \$25,000,000-per-year capital budget. And one thing I need to tell you up front, that has risen. Our costs related to asphalt, construction materials, has increased. Our annual need in working with our Public Works Department, we need to raise \$30,000,000 a year, in order to cover the existing assets that the County owns. In 2002, the IDA had issued a bond, and that was to construct a building for the Medical Examiner's lab and Human Services. And the current administration made a decision --- it was vacant property; let's forego that. So we used that bond money so the County did not need to borrow for the 2005 and '06 capital projects. And actually, we didn't have to issue a bond in 2003, in 2004 and in 2005. There were no additional bonds issued.

One thing we're very proud of. We work closely with our Public Works and Parks Department. Our Department of Computer Services has some additional capital needs that tend to be significant. We make sure that we're not borrowing money just to have it sitting in a cash account. We look very closely at cash flow needs that provide monies when they are needed. We had some catch-up to do. In 2007 --- excuse me --- 2006, we issued a bond that was reimbursable bridge and road project bond. That was largely --- that was for Homestead, primarily. In 2007, a bond issue was issued in 2008 and 2009.

2007; the large components that were not usual in that given year --- not just the annual maintenance, which was \$25,000,000, the costs to renovate the Medical Examiner's lab building and prepare that prior facility for use by the Medical Examiner. And also, \$4,000,000 was raised for the bioterrorism lab. There were increases to the Port Authority. The Port Authority was receiving \$2,000,000 a year. It was woefully inadequate to make sure that their buses were safe, et cetera. So the appropriation that Council approved in the capital budget for 2007 was raised \$2,000,000. And we had some smoke concerns, so that was funded as well.

The unique projects that occurred in 2008, we had to borrow a local match. Those reimbursable bridge and roads are not 100 percent reimbursable, so we needed to borrow a local match to pay that match. That was \$2.7

million. The Port Authority was increased \$5,000,000 and \$2,000,000 for slopes, \$3,000,000 for road programs, \$2,000,000 fleet and equipment replacement and \$3,000,000 for the North Park lake project. And in 2009, the significant items again, \$5,000,000 increase that occurred with PAT and \$2,000,000 for slopes. And we have provided ---. We have an agreement with the Army Corps of Engineers to provide a local match to get that lake dredged and ready for use again; \$10,000,000 over the next two years. And \$1,000,000 for the bioterrorism lab was approved by Council in 2009 to complete that facility. I think I'll stop here because I'd like, at some point, for Joe Olczak and Rick to help with this.

MR. FLYNN: Okay. And if I can just wrap up the revenue side. As Amy said, Director Olczak will be here to talk about the capital. The revenues from the County that we're projecting in 2010 are not much different than the revenues that we provided in 2009. Now we don't have any new revenue sources. We've had some fluctuations up and down in various categories. And we primarily rely on our property tax revenues and reimbursements from the Federal and State government. And it's very difficult to manage a county of this size. It takes considerable cooperation and coordination between the various branches and Council and, of course, the elected officers and the department directors. And I think, as a group, we should be very proud of the job that we're doing, managing our expenditures, trying to maximize revenue sources.

But we've got to look for new revenue sources in the out years. Some examples that I think we really need to get more actively engaged in, are naming rights of County facilities, our County parks. I don't think we do enough in those areas that we really need to put together a plan to address those. Additionally, I think Council President Fitzgerald has some legislation that's been approved relating to Marcellus Shale. I think we've got to look at our County properties, look at our parks, look at areas that may be contiguous to County parks, when we can enter into agreements to allow people to drill underneath the park land; not necessarily through the park land but drilling from a property that's contiguous to our parks.

I think we need to seriously look at that. I think the Marcellus Shale market had a little bit of a lull with the economy. And hopefully, that will pick up.

But I think those are two examples where I think we really need to explore and, you know, work with anything else as far as revenue goes, to try to address future increases in appropriations. So with that --- I think that's a lot to chew on for the revenue side. But I'll open up to any questions you may have, Mr. Chair, and members of your committee.

CHAIR ROBINSON: Thank you very much, Mr. Flynn. A couple issues for those who just arrived. Mr. Flynn was given the opportunity, along with Ms. Griser, to start at 4:00; one, because we did not have any public testimony scheduled and, also, we tried to accommodate their schedules where we can. At the time the Chair made the change, representatives of the Port Authority were not present. Since they have arrived, once we finish with Mr. Flynn and Ms. Griser on the operating side or operating capital, we will go immediately to the Port Authority and then Community College.

For those of you, also, who just arrived and, perhaps, were not here yesterday, I want to make it clear that the figures that Mr. Flynn and Ms. Griser are referencing are the figures that were produced by the administration. These are not figures that are owned by County Council. Our figures will appear later. So for those who have questions about the figures that Mr. Flynn and Ms. Griser are referencing, those figures represent their presentation. When Council has an opportunity to review Council's figures, they will be different, and Ms. Liptak will lead our discussion in committee on the figures that we generate. In some instances, they will be the same figures that the administration presented, because we have worked closely with them where we can to arrive at figures that Council can discuss and agree or disagree.

Mr. Flynn has not had access to our figures. We have had access to his figures. So we are at the advantage because we know, essentially, the direction that we would like to go as a Council. And the administration has given us their best effort as to the direction they would like to go and have attached some numbers to that. Our first opportunity to have an in-depth discussion on the County's budget will occur on November 10th, in the Budget and Finance Committee at 4:00 p.m. The actual legislation outlining what the Chair and other co-sponsors

present to Council will be available on November 4th, which is our next full Council meeting.

Once that information is available to members it's also available to the general public but is not final. It will not be final until the Council takes a final vote some time in December; sometime in December we will have a final vote on a budget which, at this point -- - obviously, our figures and the figures of the administration are subject to change an amendment. But these figures that were presented to us tonight represent figures from the administration, and in the case of Community College and the Port Authority, they represent their figures as they understand it, because they haven't seen our figures. No one has seen ours, not even members of Council outside of myself. So our figures have been -- - I use the word quarantined. Our figures have been quarantined. Okay. For those of you who are here, the process we used last night, we'll use tonight.

I'll start on my far right. Members will be given five minutes to interact with Mr. Flynn and Ms. Griser. If there are those of you who don't get the answer you need this evening, have no fear; Mr. Barker and Ms. Liptak will take copious notes. And Mr. Flynn and Ms. Griser will provide us with answers to the best of their ability before November 10th. They have a very good history of responding to us, and I don't see any reason why they can't. Remember, each member has five minutes. If you want to make a statement for five minutes, that's your business. If you want to engage in dialogue, that's fine, too.

If you don't want to engage, that's fine, as well. We will certainly see these people again. Okay. We're going to start with Ms. Cleary. Ms. Cleary, you have five minutes.

MS. CLEARY: I won't take nearly that long. Okay. I have a question on this page, whatever page that is. You said the last column was discretionary money. And the Court of Common Pleas is, like --- it's at the bottom. What money from the courts is discretionary?

MR. FLYNN: When I said discretionary, if you reduced their appropriation of any of the departments in that column, it won't have a corresponding impact of reducing revenues. So those departments are funded entirely by our property taxes. So if you reduced the entire Court of Common Pleas budget, which is fine ---.

MS. CLEARY: Okay. I'll keep that in mind.

MR. FLYNN: But their functions are not discretionary; but it will not have an impact on reducing revenue from another source that we're counting on it. Their funds aren't used as local match.

MS. CLEARY: Okay. They're discretionary for local matches but not for the needs of those departments?

MR. FLYNN: That's correct.

MS. CLEARY: Okay. I've got it now. Thank you. That's all.

CHAIR ROBINSON: Thank you, Ms. Cleary. Doctor Martoni, you have five minutes.

MR. MARTONI: I won't need five; you were very clear. I just have one question; and I know there's no answer, but I just want to keep reminding us. The Courts are theoretically funded by the State --- I brought that up years ago. And we have never received funding by the State. Are we still in the process of negotiating with somebody up there; about the funds that they should be giving the Courts but they haven't been giving to the Courts? And I know it's a big issue because Pennsylvania is a big state, but is there any dialogue going on? If there's not, that's okay. But we should present some if there isn't.

MR. FLYNN: When the County executives lobby in Harrisburg --- you know, he often reminds them of the Mon Bureau Report, the rule that you're talking about. Once again, our hands are tied. We can send them a bill but they're not going to pay right away. But I have heard that there are some discussions within the Courts on merging certain functions that were addressed, specifically, in the Mon Bureau Report. So it's not dead; it's just moving extremely slowly.

MR. MARTONI: That would be extremely beneficial to us if that would happen.

MR. FLYNN: Yes, it would.

MR. MARTONI: That's all. I just wanted ---.

MR. FLYNN: Thank you.

CHAIR ROBINSON: Are you finished, Doctor Martoni?

MR. MARTONI: Yes, thank you.

CHAIR ROBINSON: Okay. This is just the first round. Mr. Fitzgerald, you have five minutes.

PRESIDENT FITZGERALD: Thank you, Mr. Chairman. This is really one for Mr. Flynn or Ms. Griser; the gaming fees.

MR. FLYNN: If it's easy, I'll answer it; if not ---.

PRESIDENT FITZGERALD: That's what I like to do. The gaming fees; I think you are very conservative and I think, rightly so in budgeting or making a recommendation of \$6,000,000 towards that. And it looks like that might --- you know land there; maybe, a little less. How about the new legislation that the State is proposing, dealing with table games? Do we have any kind of an estimate of what we may see in 2010 regarding that?

MR. FLYNN: There's a lot of discussion going on amongst the State representatives and Senators relating to the table ---.

PRESIDENT FITZGERALD: The expansion, in essence.

MR. FLYNN: The expansion to include table games. Some of the conversations I've heard, we would --- the County would get a percentage of it, a small percentage of it. The City may get a small percentage of it. Or it may go to fund different types of organizations such as library funding and things like that. Nothing's been defined or voted on or passed yet. So I think it's still in the discussion base.

PRESIDENT FITZGERALD: Okay. Except ---

MR. FLYNN: Just, I didn't mean to interrupt you but --- the \$6,000,000 that we have in our budget for appropriations does not include anything relating to table games.

PRESIDENT FITZGERALD: I understand that. That's just for the slots; the slots are already in there. And then I'll move over to the 9-1-1 emergency services. Have we seen a decrease in revenues there, since we only get, quote, the land lines, and we don't get directly the cell phone lines? And is there any movement to --- at the State level, on our part, to try to recoup some of that to pay some of those fees?

MR. FLYNN: Sure. As you know, there's \$1 that's attached to each land line, as well as \$1 that's attached to each cell phone line. The revenues for the land line comes directly to the phone companies through the County. The revenues from ---. The charges for the cell phones go through the State, and the State has been

allocating that to the various counties to fund capital improvements, so that they can be, what they call Phase 2 compliant.

When somebody calls from a cell phone, you would be able to see on your CAD screen, where that call is coming from. Allegheny County in 2008 became Phase 2 compliant, so our revenues have increased. We're getting reimbursed for more of our operating costs than we had previously because we had to use those funds for capital expenditures. The wireless line appropriations bill, for lack of a better word, sunsets in another year. I think it was extended for another year. And there is work to be done at the State level to combine the wireless with the land line fees; possibly, even looking to explore charging for voice-over Internet protocols, VOIP; those types of phones, which we don't collect anything for right now. So they're looking right now to wrap it up in one company's bill. And I would anticipate that on 911, we're going to be closer to break even 911.

PRESIDENT FITZGERALD: Thank you, Mr. Chairman.

CHAIR ROBINSON: Thank you, Mr. Fitzgerald. I'm going to give my transcriptionist a chance to flex her fingers. Mr. Macey will be next. We'll take a short pause until she's ready.

OFF THE RECORD

CHAIR ROBINSON: Our transcriptionist is ready to proceed. Mr. Macey, you have five minutes.

MR. MACEY: Thank you, Mr. Chairman. And thank you, Mr. Flynn and Ms. Griser for coming here this evening --- this afternoon. Historically, the Public Works Department has --- their budget has been cut over a period of years. And I'm just wondering if, in this particular budget --- I know it's increased. Does it have stimulus money in it? Does it have anticipated stimulus money in the budget? And is there any other stimulus money in the wings?

MR. FLYNN: Well, to answer your question, stimulus money is being accounted for through the Grants and Special Accounts Budget, so there would be no appropriations within the operating budget. And I think we're here to discuss the operating revenues, and we did the expenditures last night. So there's no impact on the stimulus within the operating budget. Those funds are set up separately as Council adopts them through the Budget

and Finance Committee, periodically, over the last six months or so. So there wouldn't be any impact on that.

MR. MACEY: Thank you.

CHAIR ROBINSON: Is that all, Mr. Macey?

MR. MACEY: Yes.

CHAIR ROBINSON: Ms. Rea, you have five minutes.

MS. REA: Thank you, Mr. Chairman.

That's what we're here to discuss tonight, the operating revenues and we did the expenditures last night. So there's no impact on the stimulus within the operating budget. Those funds are set up separately and once Council adopts them through the Budget and Finance Committee periodically, over the last six months or so. So there wouldn't be any impact on that.

MR. MACEY: Thank you.

CHAIR: Is that all, Mr. Macey?

MR. MACEY: Yes.

CHAIR: Ms Rea, you have five minutes.

MS. REA: Thank you, Mr. Chairman. Last evening I questioned a few departments that had a decrease in funding. And your response a few times was that there were some green initiatives that were put in place and you were going to give us a full report on that. Do you have that tonight?

MR. FLYNN: We don't have that tonight. And that was --- the County enters into an energy savings contract and what will happen is there will be, let's say, \$10 million worth of capital improvements that are made that are funded and financed by another group and the County reimburses that group upon an annual basis through kind of a lease. And that ten-year contract expired. So we no longer have to make those lease payments so we would recognize those savings. We're going to put together a chart that will show you the departments that were impacted possibly by that.

MS. REA: Thank you.

CHAIR: Any other questions, Ms. Rea?

MS. REA: No, thank you.

CHAIR: This is just the first round. Mr. McCullough, you have five minutes, and members should be aware that Mr. Drozd, to my knowledge is still on the phone and he will follow Mr. McCullough.

MR. MCCULLOUGH: Thank you. Jim, I just had a thought, in looking at this comparison for revenues, 2010 versus 2003 and something caught my attention reporting

the filing fees for \$18.1 million in 2003, those were actual revenues estimated for '10, \$17.6, I want to know if there's any disparity placed.

MS. GRISER: We can give you a breakdown by department but I believe that in 2003 the housing market was much better and those were the volume of deeds filed in the department of the Office of Real Estate and Register--- Recorder of Deeds. So I believe that accounts for the drop because we did have an adjustment of fees in that office that the Court had approved in 2009 but unfortunately, didn't offset the volume decrease. But let me provide you with the breakdown.

MR. MCCULLOUGH: Are you considering tonight --- I understand that in general the fee increases for last year were pretty successful in generating additional revenues for the County. Are you contemplating another round of fee increases?

MR. FLYNN: I think we can always look at the increases. Those specific --- you know, the court-related fees come through a Court Order and I don't know that the Court would be willing to raise fees two years in a row. They haven't shown that willingness in the past.

MR. MCCULLOUGH: We got a new PJ so you might want to try that out.

MR. FLYNN: But we will explore it.

MR. MCCULLOUGH: Thank you.

CHAIR: Thank you, Mr. McCullough. Mr. Drozd, are you still with us? You have five minutes.

MR. DROZD: Yes, sir. My question to Mr. Flynn is --- first some comments. I'm glad to hear, you know, your thinking for Marcellus Shale, looking at ways to bring revenues in so we don't have to turn to the taxpayers. That's good to hear, that they're thinking outside the box, I really like that and I know they always do. But my question is first and foremost and if people are still looking at those casino dollars that came in, whenever they're coming in to alleviate some of their tax burden. We actually experienced that question before if we had money to repay the Authority and alleviate some of the to the County Airport Authority, I'd like to see if the people indeed fight hard --- staff and I would like to hear some of those comments and see what they say on them if you would, please?

MR. FLYNN: I was having difficulty hearing Councilman Drozd.

CHAIR: So was I. Mr. Drozd, if you could restate a little more succinctly?

MR. DROZD: Sure. First and foremost I'm glad to see that Mr. Flynn and Ms. Griser and our able-bodied people out there are looking for ways to look outside the box to gain revenues. The Marcellus Shale, that's a great thing to do and I commend them on it. But one of my first questions is, and I hope you don't --- last five minutes you couldn't hear me. But the casino money --- can you hear me?

CHAIR: Yes, sir, casino money.

MR. DROZD: The casino money, what had happened, the money that came into the Authority that was sent into the County to some debt service --- I'd like to know, are we looking at that situation again? I'd like to see us fight deeply as hard for the casino money to go to alleviate first and foremost the tax burden on the constituents. If there are monies out there to be had I want to see it go --- come back to us, the operating dollars. I'd rather it go to the taxpayers in the form of tax relief. They've been asking for this ---. Can I hear something on that?

MR. FLYNN: I think --- if I can understand your question correctly, there were a couple different components of the gaming bill adopted by the state legislature. One of the components was for property tax relief, senior citizen property tax relief. Another of the components was the local fee --- the host fee coming to the counties as well as the gaming fee reduction, \$150 million for debt service development and economic development at the International Airport in Pittsburgh. So I don't know if the money that you're talking about for the property tax relief wouldn't come through to County for property tax relief. I think that would have been handled through the State and primarily through the school districts.

MR. DROZD: I understand that. I just hoped that we would --- if there's money to be had, the state gives us options as to whether that money could go. I would hope to think that we would --- first to the taxpayers to alleviate the burden on them rather than to come back and balance budgets or operating dollars. That's my point.

I'd like to ask you, as far as the --- how do we stand when we look at other counties about comparable size? Have we looked at that to see how much we're

allocating for authorities and various areas? I mean, are we inline? Have we looked? And as you pointed out, Mr. Flynn thanks for --- I always like to benchmark with other people because the only way I can tell how well we're doing is to see how people are handled in other areas of this country or the State of Pennsylvania how they're doing, even though they may be smaller, slightly larger, they're percentages there and engage how are we doing?

MR. FLYNN: We have done some benchmarking. I know that when the Chief Executive presented the drink and car rental tax to County Council we did benchmarking with other cities on how they funded mass transportation. Now I'll remind you that there's only two authorities what I would call two authorities that receive operating dollars from Allegheny County, and that is Community College that receives approximately \$21 million a year and the Port Authority which receives the benefits of the drink and car rental tax which is about \$28 billion a year. I think by my standards, I guess, that's not an awful lot of support for County agencies or authorities. But you know, we can look into that. I know that when CCAC goes through its annual budgeting process they benchmark, I guess, the various community colleges throughout the country and primarily the Commonwealth to see what their tuition rates are and things like that. So we do do some benchmarking but I don't think it's a substantial impact of County-operated tax dollars but really property tax dollars of \$21 million to fund CCAC.

MR. DROZD: My last question, Mr. Chair. On the debt service, the bond issue, we have projected over a long period time, I know we've done well for many years but we have projected over a period of time I would hope to think --- are we looking at --- what we don't want to do is leave those that come after us, you know, everybody is concerned what they're seeing in the country right now. Are we behind something that's going to be an accepted debt service to the people that come after us, our children and grandchildren that come after us?

MR. FLYNN: Well, I didn't hear your entire question but I will say that when myself or Director Griser or the other directors within the administration make decisions, we don't make decisions about what's best for us right this minute. We try to take all factors into consideration and make the best decision that we can, not just for the current administration, the current fiscal

year, but for the individuals that are going to follow us in these positions. The debt service, we constantly look for opportunities to refinance our debt service so that we're not straddling future administrations, future taxpayers with higher than necessary annual debt service payments. When we do our borrowings, we try to minimize our borrowings so that we're not extending out debt service out into the future. So we always try to look to the future to see what's may be in the best interests no matter which administration.

MR. DROZD: That's good to hear. Thank you, Mr. Robinson.

CHAIR: Yes, sir. Is there any other member who is present who would like to ask Ms. Griser or Mr. Flynn a question in that regard, is there anyone that needs Mr. Olczak or any of the other parties who are present, Mr. Hobson, Mr. Baechle, et cetera, Mr. LeMay, to address capital issues or operating issues? If not --- Mr. Drozd, do you have another concern?

MR. DROZD: It's not a concern, I just had a question or two to give me a little incite.

CHAIR: Yes, sir. Proceed.

MR. DROZD: How much is needed --- amount of \$150 million is what I was told once was \$1 million dollars of unfunded roads and bridge repairs needed in Allegheny County and what the infrastructure maybe. Do we have any projections of that to date? Is that going beyond what we've heard in the last year or two, is it starting to pile up on bridges, road and bridge areas, are we getting more areas that we can't handle, is it just continuing to catapult to another proportional percentage?

MR. FLYNN: I don't think it's changed significantly from the last year or two, the number for the unfunded bridge and road --- road and bridge maintenance. We do our best to make improvements every year and keep our head above that level. I think Director Olczak and his department have done a very good job with limited resources addressing the most pressing needs before they get any worse. And also trying to maintain roads preventively before they do get bad. So I don't think that number has changed significantly over the last several years. If anything, it may have gone down with the reconstruction of the Homestead Grays Bridge, the current reconstruction of the Rankin Bridge. I know that there's another --- the Jacks Run Road Bridge, Councilman,

in your district in Bellevue, between Bellevue and Brighton Heights is scheduled to start the fourth quarter of this year. So I think with addressing those three large bridge projects I think our number has gone down, if anything.

MR. DROZD: Okay. Remember the Blackburn Road --- Ross Township areas are some of the others. But I thank you ever so much.

MR. FLYNN: Thank you, Councilman. Blackburn Road, we've completed the first phase of the emergency road repairs down there and we're getting ready to open it up. And due to the rains in June there's additional slope destabilization so we had to keep that road closed a little bit longer there and perform more emergency repairs on that bridge. Your comments are well made, thank you.

MR. DROZD: And Mt. Troy extension we're looking at that in the future?

MR. FLYNN: Yes, we are.

MR. DROZD: Thank you, sir, appreciate it very much. Thank you.

CHAIR: Thank you. If there are no other questions for Ms. Griser or Mr. Flynn or those who have accompanied them, we will excuse them. We thank them for their time and effort and certainly will see them in the very near future.

MR. FLYNN: Thank you, Mr. Chairman, and members of the Budget Committee.

MS. GRISER: Thank you.

CHAIR: We thank our other guests from the Port Authority for accommodating our schedule change, as I mentioned last night, fortunately we only have to do this once a year. The Community College and the Port Authority have worked with us over this past year to accommodate a new arrangement that Budget and Finance Committee has instituted, and that is we wanted to come in twice a year. So both the Port Authority and the Community College have already come before the Budget and Finance Committee and made presentations based on monies we provided to them in 2009. So their presentation tonight will be prefaced by the fact they have been here before within the last six months and we hope next year they will accommodate us and come in twice during the year. I think that makes our system more efficient and we get more information and I think it keeps them on their toes as well as ourselves.

If Mr. Bland, Steve Bland from the Port Authority can come forward and bring the member with you you need. If you have anything to hand out, if you'll give it to Mr. Barker or Ms. Liptak, they will make sure that it's passed out. As soon as they are we'll be ready to proceed. Members who are not here will be provided with any materials that are given to those of us who are present so no one, including Mr. Drozd, will be without hard copy or DVD, et cetera, et cetera, of whatever material is provided to the Chair and other members.

Let me just mention in advance what Mr. Bland is going to explain, looks familiar. It looks like a document that I've seen at least three times. I'm not trying to minimize its importance, if I've seen it three times; most of you have seen it twice. So this is not a new document, you may have it in your office but I thank him and staff for providing it to us for a third time. It's a very thorough approach to informing us.

For those of you who just came, once we have the presentation each member will have five minutes on the first round. If your questions are not answered, Ms. Liptak and Mr. Barker will write them down. In fact, they'll write down all the questions, we'll make sure that you get a more thorough answer. The budget documents will be presented to Council next Wednesday, the 4th of November. Those documents will go into committee on the 10th and the Budget and Finance Committee will begin its work. Any figures that are discussed tonight are figures that have been presented and prepared by those who reference them. The document that Mr. Bland is going to be discussing is one that he and his staff produced. These are not our numbers, these are his best numbers and they're probably no different than the first time I saw this document which is --- it's a good thing because I think his first attempt is very thorough. Unless there is an unreadiness, Mr. Bland, if you'll introduce yourself and the young lady who's with you.

MR. BLAND: Thank you, Mr. Chairman.

MR. DROZD: Mr. Chairman?

CHAIR: Yes, sir.

MR. DROZD: When we go into committee with deliberation will we be able to bring back some of the people that we need to talk to and interview more?

CHAIR: I would say yes based on their availability and our schedule. Ms. Liptak can coordinate

that. But that certainly is within the realm of possibility. If there's someone you know in advance you'd like to have come, you let Ms. Liptak know as soon as possible and we'll try to get them to that meeting on November the 10th at 4:00 p.m.

MR. DROZD: Thank you, sir.

CHAIR: Mr. Bland?

MR. BLAND: Thank you, Mr. Chairman. Steve Bland, Chief Executive Officer for the Port Authority of Allegheny County. And with me this afternoon is Claudia Allen, our Chief Financial Officer as well. Good evening.

I'll keep my remarks fairly brief. As the Chairman referenced, most of the information in here probably isn't new to members, certainly of this committee or Council in general. It's a relatively lengthy handout that gives a lot of background on the Authority, our activities and our overall operating capital budgets. What I would refer you to first is page 28 which is very much a summary page relative to our county appropriations request for the upcoming year.

In total, we are requesting a total of about \$36.3 million. That's composed of \$27,668,699 for our operating budget and \$8,614,908 for capital. As in all of our previous years we formulate our request to the County based on the minimum required match of State and Federal funds. The chart on page 28 shows both for the request of this year as well as last year's actual appropriation, what that leverage is in terms of State and Federal dollars. The \$27.7 million in operating leverages almost \$185 million in state operating systems. And the \$8.6 million in capital requested leverages about \$215 million from the State and Federal capital for a variety of projects. So the leverage ratio is about \$11 of State and Federal to each County dollar.

I would also note, on that page, we're actually coming with a bit of a reduced request relative to last year. Our request is actually down about \$1.3 million from last year or 3.4 percent. And again, that primarily reflects the availability of State and Federal dollars that we have available to us.

The second page I would refer you to in terms of highlights of activities, what the request would allow us to pursue, again the two pieces, the operating capital blend into our overall operating capital budget. So they're absolutely crucial to allowing the overall

operations of the Authority. We don't specifically come to the County and ask for, can you fund this project or can you fund these services. It's a piece as required under State and Federal law of the whole. So in a large sense, the County is a very --- is a crucially important participant for the entire mass transit operation in Allegheny County.

Our main objectives with this budget are fairly simple. One is to retain current service levels. There is no projection of an overall reduction in service for the upcoming year. To keep service affordable, now our Board did adopt a budget that assumed and this past month has adopted a nominal fare increase that will go into effect on January 1st. And I can provide any information that you might want on that. Essentially, it's an inflationary level increase and that was something that had been, if not required, strongly suggested by the State when they passed Act 44 a couple of years ago rather than waiting years and years and years and doing huge fare increases that transit agencies every couple of years try to keep their fares in line with inflation. And that's essentially what we're attempting to do in this case.

We are continuing to increase our efforts to really more so, on operating funds toward the overall budget. I mentioned a fare increase which is scheduled to go into effect on January 1st. Another significant source of operating income for us is what we call a contract service income. It comes from a variety of sources; the largest ones of those are the university contracts that we have. And as part of a longer term agreement, those contracts are increasing at a 15 percent rate in the upcoming year so we're seeing nice bumps in that income. And also I know a topic that's been of interests to you Council in the past has been our efforts in the joint development arena and we are now starting to see actual cash coming in, trickling in at the beginning and that will increase as developments take place, most notably South Hills Village Development is one that's generating income for us.

There's been a fair amount of tension at the Authority over the last six months, actually two years but certainly in the last six months over our recently adopted Transit Development Plan, our service plan. That plan will as it goes into effect --- it will take us two full years to implement beginning in March, go March 10 through

March 2012 for full implementation. But for the majority of our riders we'll certainly improve service. We'll also improve our operating efficiencies as we see service, productivity and operating income through passenger fares increase as a result of that.

In the upcoming budget year, our overall staffing count remains unchanged. There's a bit of shift within, and I know Controller Flaherty was here earlier. A couple of the initiatives in this year's budget request specifically address some of the findings of the County Controller's audit. Specifically, we reallocated five positions from administration to bus interior cleaning, one for each of the divisions. And that was an area that he looked at. And one of the key capital projects we specifically identified in the capital budget outline in front of you is the replacement of our maintenance work order system which is clearly a key project that we're interested in and one that his staff had highlighted as a priority to the Authority.

The challenges that we have in front of us are very much like what I heard Mr. Flynn and Ms. Griser report for the County. Like the rest of the world our pension funds have taken the hit that the markets have had, so, we are seeing a significant upset in pension contributions for the coming year. And also general healthcare cost plans. We're seeing increases in healthcare costs that all employees are seeing. From a capital budget perspective our focus is on the state of good repair projects, primarily the timely replacement of our revenue fleet and our upkeep of facilities, as well as debt service, obviously, has a high priority. Another issue that we'll be looking at, in the upcoming year, we won't be the only ones, as most of you are aware, prime State funding source for the Port Authority is the Act 44 which was passed in 2007. The full funding of that Act relied on the tolling of Interstate 80 as a significant underpaying.

So that's a hot topic right now. The Turnpike Commission is resubmitting material for their application to toll Interstate 80 to the Federal Highway Administration. If that source isn't supported by July 1st of next year there will be a significant reduction in Act 44 funding available. So that's something that's certainly on our radar screens.

Another issue that we have with respect to Act 44 is that that source is relatively flat. We're seeing very slow increases in that source, about a half percent for the past year. Clearly, that's an issue as large as it is in the percentage of our operating budget. As Mr. Flynn said, that just means you have to work that much harder to live within our resources.

This year, in this budget request, one of the positives is we've seen --- we were able to lock in a very low price for fuel which is a significant budget item for us so going out into the future, certainly the volatility of fuel prices, you know, is a concern to us. So those are some of the highlights of the budget. Again, there's a lot of background material in the handout. As Chairman Robinson mentioned it's probably not unfamiliar to most members of Council. If there are questions, I'd be happy to entertain them, Mr. Chairman.

CHAIR: Thank you very much, Mr. Bland. I'm going to start, unless there is an unreadiness, I'm going to start with Ms. Cleary, and Ms. Cleary, you have five minutes.

MS. CLEARY: No questions. Thank you.

CHAIR: Ms. Cleary, at this point, has no questions. Doctor Martoni, you have five minutes.

MR. MARTONI: I have no questions. I just want to emphasize the capital. If you look at the Port Authority request of \$8,000 which brings in --- and I want to emphasize brings in, \$215,000. That's about as much leverage as you'll get anywhere. And that brings in the money for people who work in the County through various projects. I just want to emphasize that. That's all.

CHAIR: Thank you, Doctor Martoni. Mr. Fitzgerald, you have five minutes.

MR. FITZGERALD: Thank you, Mr. Chairman. And I'd like to publicly praise Mr. Bland along with our next director --- or not director, but agency, Doctor Johnson. You've really done some terrific things in moving this agency in a very positive direction for the public. So I want to say that publicly. And also with this Council. You and your agency have been very cooperative in coming in and giving us a lot of information. And I realize that this new transit plan that is out there has certainly caused consternation and a lot of it may be misunderstanding or whatever it is.

But certainly to make a change of this nature there's always going to be challenges. And I think, thus far, the way you've rolled it out, the way you've communicated it to the public and had the hearings, given us information on it, has been very helpful. I'm glad to see it's going to take a couple of years to implement because I think it's going to take some --- you know, the public to adapt. And this is a change and probably you're biggest change that I know of in my ten years of being here and maybe beyond that. So, I'm appreciative of all your help.

And finally, I also wanted this public, to say I'm appreciative of the fact that I from my committee brought the idea of possibly natural gas buses. And I know when we first brought that up there was a lot of, let's say, reluctance because of any past practices that went back 20 years. But you and your agency were willing to take a look at that. I know we're still exploring the possibility as Marcellus Shale becomes something we may have readily available when we look at efficiencies and Clean Air Acts and all these different type of things that your agency has been very progressive and very open-minded to looking at some ideas, some of which may pan out and some of which may not, but I just wanted to say I appreciate that and anything we can do, I want to offer our assistance. Thank you, Mr. Chairman.

CHAIR: Thank you, Mr. Fitzgerald. Mr. Macey, you have five minutes.

MR. MACEY: No questions at this time. Thank you for what you do for us.

CHAIR: Ms. Rea, you have five minutes.

MS. REA: I'll just thank you, for what you do for us.

CHAIR: Mr. McCullough, you have five minutes.

MR. MCCULLOUGH: I have no questions, Mr. Robinson.

CHAIR: Thank you, Mr. McCullough. Mr. Gastgeb, you have five minutes.

MR. GASTGEB: Thank you, Chairman Robinson. Welcome, thank you, for coming in. Just for clarification, on the capital costs, on page 27, the amount on 27 is different than on 28. I just want to make sure I understand what's inclusive of the capital costs.

MR. BLAND: Actually, the match up there, Mr. Gastgeb, is if you look in that second column over, the

CY2010 requests down to the second or the lower end of the sheet in that gray-shaded area of \$8,614,908, that's what ties directly to page 28, the capital requests. So that CY2010 request is what adds together to the match up.

MR. GASTGEB: I do see that, thank you. Part of the capital request is Stage Two, light rail vehicle overhaul; could you just describe briefly what that is?

MR. BLAND: That was a project like most of our large capital projects. It's a big dollar item. I think in total that project is probably \$386 million, the County match obviously being a relatively small portion but that's still 30 percent of \$386 million is a lot of money. So, typically, what we've done is spread out those types of projects, North Shore Connector, over a number of years. So that's the Overbrook Line overhaul, rehabilitation of 15 light rail vehicles, the acquisition of 55, the acquisition of new light rail vehicles. So generally, we overhauled the South Hills rail line. I guess it was completed about four or five years ago.

MR. GASTGEB: And is there a long-term strategy to go into what's known as Stage Three, which I remember being rehabilitation and expansion of the Drake line, as far as from South Hills Village?

MR. BLAND: Right now our focus frankly, is on the state of the repair. I sort of alluded to it earlier on. With the challenges of Act 44, again, the majority of, when you look at those big projects; Stage Two, North Shore Connector, East Bus Way Extension, West Bus Way, the major capital projects, those were overwhelmingly supported with Federal and State transportation dollars. Right now, the Federal bill is up for reauthorization in the upcoming year so it's in a state of flux. For the State, Act 44 was essentially funded at a level to just hold the line. Basically, when the Governor's Transportation Funding Reform Commission made recommendations to the Governor and the Legislature, they provided three alternative funding scenarios.

One was, you know, let's just keep what we have and try to keep it up. The second was, nominal rate of expansion and the third was, more state of the art, more pursuing the types of projects that you're talking about, probably not a surprise in tight fiscal times, though the Legislature chose to fund it a little bit below, actually the lowest level recommended by the Commission. So right now the focus of the Authority from the capitals

perspective is the state of good repair project, making sure bridges are rehabilitated in a timely manner.

Things like ---you'll see a lot of them outlined in the actual detailed capital budget listing, timely replacing the revenue via buses, resurfacing some of our bus ways that are kind of wearing down. I heard Mr. Flynn talk about slope stabilization, that's certainly projects that we have to focus on. We haven't put any --- now there are an awful lot of other folks out in the community talking about different projects. And we're sort of observing and participating to see what might happen.

MR. GASTGEB: Regarding the South Hills Village Development that you spoke of, is the shopping plaza that you're referring to long term?

MR. BLAND: What we're talking about is the surface lot adjacent to the parking garage down there is now long-term leased to develop for a development group. The targeted development is a medical office building that they're hoping to break ground on by the spring.

MR. GASTGEB: Is there any other usage for that land besides a medical only?

MR. BLAND: That would fully consume that land. It's about a six-acre parcel.

MR. GASTGEB: I'm familiar with it. If I could maybe meet with you, Bethel Park officials have a need to relocate the magistrate. So I kind of want to see if there's any room up there. And actually, we're going to combine the Mt. Lebanon magistrate with a justice center. At least you could say it might be safe.

MR. BLAND: Great transit access.

MR. GASTGEB: There you go. Maybe if you could look at that and see. I wasn't sure how fast that was moving forward with regard to the medical building, the whole land or not.

MR. BLAND: As you know, we'd be happy to talk to you about that.

CHAIR: Thank you, Mr. Gastgeb. Mr. Drozd, are you still with us? The Chair will presume that Mr. Drozd is not with us at the moment but if he returns we certainly will accommodate him. Any other members have a question for Ms. Allen or Mr. Bland? Mr. Gastgeb?

MR. GASTGEB: One I forgot to ask. You and I talked about the trolley the T stop closures --- what was published recently is that the finale of what the closures

may be or are there still some due diligence as to what stop you're looking at here?

MR. BLAND: What our Board --- in terms of stop spacing, this is true, not only on the T but throughout the bus system, what our Board adopted was a series of service guidelines that really comply to all rounds of service. And I would be happy to get that or meet with Council on it. As part of that, is the stop spacing guideline for different types of services, how far apart should stops be spaced. It's something that had come out of our public process, it's just the perception of the system is so slow and stops spacing is part of that. And I heard in one of the earlier sessions folks alluded to benchmarking which was a big part of your study. What we found is relative to peer systems; we have about three times as many stops on an equal basis as any other. So what the Board adopted was a stop spacing standard.

Now, what will happen, and Mr. Fitzgerald related to a long phasing process, is on every route in the system we'll have to look at that standard and see where a route meets the standard to where it exceeds or does not meet the standard and then try to work accordingly. There's a fairly detailed methodology associated with that. We'll be happy to share with you or any members of Council to go through that. And that would be an involved process again and we would be --- it's not something --- as I said to some of the community groups I met with, one thing I can tell you, is you're not going to wake up in the middle of the night and see crews taking down signs, that would be --- we'll be backed into another process for that.

MR. GASTGEB: I went out and spoke in my community and I just had one pocket that's a concern, and it happens to be Bethel. So I would like to talk about. I mean, I think the T was set up to make stops, you know, that's just how a line is. So annually it's somewhat of a difference. When you and I talked I know you mentioned that maybe some stops only had 15 people the whole day. So by and large if the T is not stopping there anyway it goes past it because people aren't there. So I don't know how much we're really gaining by --- some of these are an inconvenience so before any finale happens I would like to work with you on this.

MR. BLAND: Sure. We'd be happy to meet with you. Because we actually do lose time because we have

reduced speed restrictions in stop areas whether or not people are boarding, that type of thing.

MR. GASTGEB: Thank you.

CHAIR: Thank you, Mr. Gastgeb. Any other questions? Ms. Cleary?

MS. CLEARY: Yes. I wanted to know what the status was with the project in Castle Shannon location --- how is that progressing?

MR. BLAND: Sure. It is progressing. That project --- Ms. Cleary is referring to the Castle Shannon Transit Village which would be a true transit-oriented development in the Castle Shannon area. They have lined up some other non-Port Authority, non-County funding sources to help bridge that funding gap. Our Board about three months ago approved a period of exclusive negotiation with that development group so we're in the process now of going back and forth with them to try to structure a lease arrangement similar to what we had done at the South Hills Village site.

If we're able to meet the parameters required by our guidelines and required by the Federal government, what we do is after we get Federal concurrence on those projects, then we would go back to our Board with a proposed arrangement with that developer and then promptly would start taking budget --- and actually I just wanted to express thanks to the County because we've had a terrific partnership with the County Economic Development. We'll be the first people to tell you, we don't speak that language. So folks like Dennis Davin, Morgus Julenroth, has been extremely helpful. It's moving forward. It's moving forward slowly. And I would say like South Hills Village it's probably been a little slower due to the nature of the economy and some of the commercial funding sources. We'd be happy to meet with you on any details.

CHAIR: Thank you, Ms. Cleary. Any other questions? If not, we thank both of you and we look forward to seeing you in the near future.

Next, we're going to have the Community College make their presentation. Doctor Alex Johnson and his staff, if you'll come forward. If there are any documents to pass out, Ms. Liptak will accommodate you.

While Ms. Liptak and Mr. Catanese finish passing out the material for the Community College we'll move forward. These documents that are before you are documents that I also have seen three times. Which means

if I've seen them three times, all members of Council have seen them two times. And they are consistent with the initial documents that I saw, with maybe a couple of additions and we certainly thank the folks at the Community College for their diligence in working with us and providing us with not only information that relates to the college proper, but how the college is serving our specific constituents and how many of our constituents are actually attending the college.

The Chair also asked the college to give us some kind of economic analysis of the impact that the college has on the County and the impact of the 70,000 alumni from the college who live and work in this County. They're not only our workforce, they're our neighbors, they're our friends, they're our family and indeed the Community College has been supporting the community. Regardless of any decisions we might make around funding the people we serve are people that the Community College either serves or has served or will serve in the future. That's just a fact, it's a fact that we appreciate and hopefully the college can continue to make the case to us that they are a wise investment of taxpayer dollars. Unless there's some unreadiness, I'm going to turn the floor over to Doctor Johnson to introduce himself and the young lady who's with him.

MR. JOHNSON: Thank you very much, Mr. Chairman. Mr. President and members of the committee, thank you for the opportunity to appear before you today. Joining me during this session will be Ms. Joyce Breckenridge who serves as our Vice President for Financial and Administrative Affairs and college CFO. And in the audience from CCAC we have our Vice President for External Relations, Nancilee Burzachechi and also David Hoovler who is Director of PR and a new proud papa. We're delighted that both of them can join us today as well. A lot of this material you've seen. To go through it in any detail certainly would be redundant. But I would be remiss if I didn't at least highlight some of the things included in the documentation. And to also share with you some of the challenges that we see going forward. And most of the challenges, to be quite honest with you, involve the significant increases that we have in terms of our enrollment and projected enrollment in the future.

I just want to share with you that our preliminary numbers for spring semester indicate that we

have right now an 18 percent increase in our head count enrollment and a 19 percent increase in our full time equivalent. That's significant for a number of reasons. The principal among them is the fact that we've got to make sure that these young folk are educated and that we have space available for them in our classrooms. I want to thank all of you for your ongoing support. That has been critical to me as the new President of CCAC. We are certainly delighted with your advocacy and we appreciate the opportunity to appear before you today.

For the record, I want to make certain that I reiterate a few points from our last meeting, including the fact that we have passed along to County Council President Fitzgerald a copy of our MWDBE plan and accomplishments. You have that for the record. And we felt that as an agency of the County that it was our responsibility even though we weren't required to get that to you so you have that. We also sent the Council President some information he requested related to the American Graduation Initiative being introduced by President Obama and what impact that might have possibly on CCAC.

Three points were made in that letter. Number one; there will be a low-cost matching grant for training. There also will be facility development matches up to 25 percent which means that we've got to find money locally to match that 25 percent. And the other piece has to do with support for student support services. So I think CCAC, Mr. Fitzgerald, is in a unique position to secure those funds. Some points that Chairman Robinson asked us to elaborate upon include the following: Number one, I want you all to know that 73 percent of incoming freshmen at CCAC have chosen it as their college of first choice. That compares to maybe 50 percent, maybe two or three years ago. Individuals are coming to us because they know that they can get an affordable college education that gets them into the workforce fairly quickly. Twenty-one (21) percent of our population is minority. We're seeking to increase that to a minimum of 27 percent. And we've implemented a fairly ambitious minority recruitment program.

In terms of tuition savings versus public universities, individuals who come to us for the first two years save \$17,000. And those individuals who ultimately attend private universities who come to us save over

\$46,000. In terms of projected job growth in 2016 requiring associate degrees or certificates and Allegheny County alone, is 19 percent. So the job growth that you see here in our region will require an associate's degree principle. We have 11,283 students in career programs alone. So those individuals, once they complete their experiences go immediately into the workforce.

In terms of increase and earning power of an individual with an associate's degree, that's increased about 47 percent over a high school dropout or an individual who has completed only high school. And in terms of return on investment, for every dollar paid by local and state taxpayers, a return on investment is \$6.41 which is tremendous indeed. And the other thing I'd like to share with you is that 95 percent of the graduates from CCAC remain in the community.

The average class size is 19.4 percent, 19.4 to 1. That's up almost one and a half over the same time last year which simply means that we are increasing our class size as a result of the increased enrollment that we're experiencing at CCAC. In your package you have a handout and in some instances I will ask you to refer to those, particularly on page 12 of your handout which shows our enrollment for this year, so far. And the reason I'd like for you to look at that specifically is because it has implications for us as we move forward in terms of enrollment at specific campuses. As I indicated to you, our enrollment in terms of a projected enrollment right now for spring semester is approximately 18 percent in head count. If you take a look at the enrollment across campus you will note that the differences between last year and this year are glaring in terms of increase. The Boyce Campus increased by 16 percent and the North Campus increased by double digits as well at about 10 percent.

That's critical for a lot of reasons. We've seen a lot of increased job growth and population movement into the Warrendale, Cranberry, Wexford areas and certainly they will benefit from having available the North Campus to them. Our online enrollment on page 13 has increased last year by 22.43 percent. And we anticipate significantly more individuals taking online courses as well. On page 14 we have an enrollment breakdown by Council members district which gives you some indication of the number of students that attend CCAC from your particular areas. And in all instances, those are

increases in credit and non-credit enrollment over the same time last year and we do expect increases of the spring semester and also next fall as well.

One of the things that I know that Council is concerned about is our commitment to diversity and inclusion. We've already talked about our MWDBE plan, we submitted that up to you, but I want you to know that we just received a grant from the Heinz Endowment of \$350,000 and a significant portion of that is designed to upgrade our program on diversity and inclusion with funding being earmarked to recruit faculty members from minority backgrounds and science and technology. We also talked with you the last time about some of our efforts related to sustainability and the kinds of things that we are attempting to do there. We talked about the green institute specifically to accommodate our efforts in that regard. We've instituted a program called Workforce Fast Tracks designed to train individuals in a lot of different areas on a short-term basis, but more specifically, in jobs that lead to --- in areas that lead to green collar jobs.

The other good news I want to share with you is that the Governor announced today, six sites for training in weatherization. CCAC received notification over the weekend that it will be one of those sites. Along with that we secured \$149,000 for equipment. And following that \$149,000 will be additional money for training. So we're delighted with that. We're the only community college in the state that has been designated as one of those sites for weatherization training.

If you follow me now on page 26, I'm skipping around, but we're going to be a little bit more consistent in terms of sticking to the script right now. On page 26 we begin talking about our efforts related to workforce development. I've already indicated to you that a significant portion of the openings, job openings in the future, will require technical training, including a certificate, an associate's degree. On page 28, it breaks down the number of students that we have enrolled in some of those areas where growth will be experienced.

Among them are 5,684 students in health professions. About 1,500 students in Social Services. About 1,900 students in Business, 762 in Information Technology and we also have 1,429 students who are enrolled in trades in different technologies. On page 29

it gives you some indication of CCAC's standing nationally in terms of the preparation of nursing and allied health professionals. On page 30 we also break down for you individuals who are participants in customized training for specific employers. We have 1,400 individuals in that area, another 1,600 in Grant-Funded programs, another 2,300 in work-related courses and another 2,400 or so in specialized programs, particularly in the Public Safety Institute that is free of charge for residents of Allegheny County.

On page 31, we describe some of our relationships with organized labor. And as you can see they are very, very significant. In fact, the weatherization training that I talked about will be in collaboration with the Operating Engineers Local 95. On page 32, CCAC prides itself on some of the training that we provide agencies of the County. Included among those are the Airport Authority, ALCOSAN, the Emergency Medical Services, the Fire Academy, Human Services and Juvenile Court, Kane Regional Centers and Port Authority Transit. I'd also like to extend publicly our appreciation to Mr. Bland and his staff. They have worked diligently with us to ensure that students throughout Allegheny County can get to our campuses. And in fact, he restored a lot that was supposed to be eliminated from Penn Hills to the Boyce Campus and certainly we're appreciative of that.

If you take a look at page 35, we break down for you our sources of current funds. In general, 20 percent of those funds come from the County, 40 percent come from the State and 40 percent come from tuition. On the next page we describe how those funds are spent. As you can see we have a balanced budget. We also pride ourselves in our fundraising efforts and on page 37 we describe for you the breakdown of grants, contracts and private funds that we receive during the period of 2008/2009 with the comparison to 2007/2008. Even during a down year we were able to increase our support by well over a million dollars.

So far this year we've raised \$4 million, including some of the grants and contracts that I talked about. And also, a grant from the Fund for the Improvement of Post Secondary Education, a Federal grant of \$725,000. On page 38, there's a pie chart that describes our, that breaks down our private fundraising. And on page 41, we talk about some of our challenges and

moving forward I'd just like to spend maybe two or three minutes on those. With increased enrollment, recruiting full and part-time faculty in key areas will be critical. We continue to work toward that allocating as much as we can for full-time faculty. Right now, 50 percent of our faculty is full time, 50 percent adjunct. The national accepted standard is 60/40, 60 percent full time and 40 percent part time.

We are working really, really hard to expand our programs, particularly our short-term training programs. We just introduced our Workforce Fast Tracks designed to get individuals through programs that lead to certification in a reasonable period of time between six and eight weeks. The proprietary schools use that approach and they found it to be very, very beneficial and we find that that's something that might be important for us to try. And so far, the outcomes are proving very, very favorable.

Our facilities issues continue to mount. In fact, there's a part about recent master plan. We determined that we need \$22 million over the next five to six years to defray deferred maintenance issues with 77 percent of that directed to the Allegheny Campus. In terms of upgrading technology and the infrastructure that promotes that, we're going to use the \$1.5 million that we receive from the County this year to really strengthen our backbone in that regard but we still, of course, have some ways to go in that regard. We've already talked about some of our Workforce Development projects and most of those projects have been funded by grants and contracts that we receive from the State and Federal level but we still have a lot to do in terms of operations in that regard.

One of the things I do want to share with you that has been something we've worked on since I've been President is the development of a comprehensive Fund-raising program for scholarships, matching funds and facilities have already indicated that we've raised about \$3.5 million. And I think we are gaining some momentum with that.

The other concern that we have is certainly not with the County but at the state level in terms of the funding for CCAC. This past year, Community College has received \$1.8 million in capital outlay while the State-supported institutions received \$130 million and the

State-related received \$100 million. So capital outlay will continue to be an issue for us and the college will exercise as much as it can in terms of its ability to go out and get additional funds for that.

So with that said, that's my presentation, Mr. Chairman, and I would welcome any comments or questions that any individuals might have.

CHAIR: Thank you. Questions for Ms. Breckenridge and Doctor Johnson? We'll start with Ms. Cleary. Ms. Cleary, you have five minutes.

MS. CLEARY: No, thank you. Just thank you for the good job you're doing.

MR. JOHNSON: Thank you, very much.

CHAIR: Doctor Martoni, you have five minutes.

MR. MARTONI: I want to thank Doctor Johnson for his leadership and the wonderful leadership he has shown to the Community College of Allegheny County. Thank you.

MR. JOHNSON: Thank you, sir.

CHAIR: Thank you. Mr. Fitzgerald, you have five minutes.

MR. FITZGERALD: Yes. I'd like to echo those comments. I appreciate Doctor Johnson and his administration and the good work you've been doing in moving this County forward. And you, Mr. Chair and Doctor Martoni, sitting on the Board of Trustees, putting in a lot of good work and obviously, Doctor Martoni, at the Boyce Campus. That campus is really growing out there, they all want to go out there and see Doctor Martoni. So again, I congratulate you and please keep up the good work.

MR. JOHNSON: Thank you.

MR. FITZGERALD: Thank you, Mr. Chairman.

CHAIR: Thank you. Mr. McCullough, you have five minutes.

MR. MCCULLOUGH: I'll yield to the floor, Mr. Robinson.

CHAIR: Thank you, Mr. McCullough. Mr. Gastgeb, you have five minutes.

MR. GASTGEB: Thank you both for coming in and ever since you've been here there's been a very strong change I feel in South Hills. I do have a question. The enrollment by campus is listed by your major branches. How do you list the many public school buildings and offerings you have out there?

MR. JOHNSON: Those are included in either our Continuing Education enrollment or it's combined with the campuses. So for the center in your district, that would be included under the South Campus's enrollment. And we've seen enrollment grow at each one of our centers and I'll send that information to you.

MR. GASTGEB: As far as your projections, do you see a need for the current space you have with the public high school or do you need more space because of the traditional campus' goal, or are you looking for more on the part of the school districts for either credit or noncredit type of education?

MR. JOHNSON: All of the above, particularly in the area of Workforce Development. We'd like to get as many more programs out in the community that we possibly can. So we are working to establish a greater presence of programs and in some instances we may need to expand space.

MR. GASTGEB: One thing I'd like to offer is, in my district I'm going to have four, basically, brand new high schools, at least, in the last several years. I think the superintendents of the four school districts that I represent find it beneficial when we sit down and talk about what we can do with Workforce Development in light of them having brand new buildings. Thank you.

MR. JOHNSON: We'll be in touch to get the names of those superintendents at those schools. Thank you.

CHAIR: Thank you, Mr. Gastgeb. Mr. Drozd, have you returned? It appears that Mr. Drozd has not returned. Any other member of Council have a question for Ms. Breckenridge or Doctor Johnson? If not, we thank both of you and we look forward to seeing you in the future.

CHAIR: Any other issues that need to come before the Committee? Mr. Macey, do you have a question for Doctor Johnson and Ms. Breckenridge?

MR. MACEY: Don't run away. This was an important phone call.

CHAIR: Mr. Macey, you have five minutes.

MR. MACEY: Thank you very much. I just want to say that I am a recipient of a degree for undergraduate work at the Community College, my daughter and my wife as well. So we have an appreciation for Community College. But on another note I serve on the Aviation Advisory Board and there was a plan to take away the Aviation Program and to Doctor Bozich and Doctor Johnson's credit, I appealed

to them and they were going to give the program another chance. And I can tell you from what I understand the program has actually grown. And I think it's great. It's good for the college. It's also good for West Mifflin and the Allegheny County Airport and Pittsburgh Flight Training which, of course, I've been a part of.

One of my questions, however, is the footprint of each of the schools, are they similar?

MR. JOHNSON: No, they're not.

MR. MACEY: So, I can understand where one school may have more students than another. And why do you think that District Nine, which I represent, has the second least enrollment?

MR. JOHNSON: Well, actually, that's an improvement over last year. And to be quite honest with you, I think a lot of it has to do with the new leadership that we have in the South Campus. With the new campus president along with the academic dean and what they've done has really beefed up their recruitment effort, so my sense is, that that's going to go up. Last year, all of the campuses had enrollment increases with the exception of South Hills actually down. So three percent, actually, is more like five percent. And we anticipate that we're going to have greater enrollment out there.

The other thing that we're looking at for South is to partner with some of the school districts, particularly the Steel Center, Steel Valley, yes, Vo-Tech. In fact, we're working with them to try to offer some welding classes out there. But I think it's a result of that and quite honestly, I think you're going to see increased enrollment at the South Campus over and above. As I indicated --- and I don't have it broken down by campus, I wish I did, but our preliminary projections are just, they're out the roof. We're looking at a 17 percent increase --- 18 percent increase in head count and a 19 percent increase in full-time equivalent. Now those numbers may not be the same when we open our doors in the spring but in terms of preregistration numbers those are historic. So we know those numbers are going to go up.

MR. MACEY: Well, being a dislocated steelworker at one time, I also have appreciation for this Dislocated Workers Program that has been implemented, where a dislocated worker could go to school for free. That's great. Also, the FireVEST Program.

MR. JOHNSON: The FireVEST Program, the Young Adult Empowerment Program and many other programs designed to promote the betterment of the community. And we've been able to go out and get additional funds to support these programs or even we have depended upon the capacity that we have as an institution to enroll students, so we're delighted to do it to be quite honest with you, Councilman Macey.

MR. MACEY: I want to thank you and your colleagues for being here this evening. Thank you.

MR. JOHNSON: Thank you.

CHAIR: Any other questions for Ms. Breckenridge or Mr. Johnson? If not, we thank both of you and wish you well. We'll be seeing you in the future.

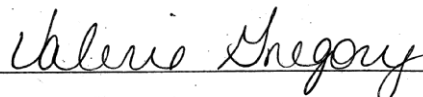
MR. JOHNSON: Thank you, sir.

CHAIR: Any other issues currently for the committee this evening? Any issues the staff would like to share for the good of the order? Anything a member would like to share for the good of the order? If not, I want to thank everybody who helped put these hearings together, thank our transcriptionist. This is her second or third year, she's done a fine job. A report of this meeting will be available in its entirety in the near future. If there are no other issues, this hearing is adjourned.

HEARING ADJOURNED AT 6:10 P.M.

CERTIFICATE

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


Court Reporter