

MEETING OF THE LOCAL GOVERNMENT COMMISSION

Wednesday, January 28, 2015

The meeting of the Local Government Commission was called to order by Senator John Eichelberger, Jr., at 8:50 a.m. in Room 14 East Wing-Main Capitol Building, Harrisburg, Pennsylvania, with the following individuals present:

MEMBERS

Senator John H. Eichelberger, Jr., Chairman
Senator Thomas J. McGarrigle
Senator John P. Blake
Representative Chris Ross
Representative Mauree Gingrich
Representative Robert Freeman
Representative Mary Jo Daley

STAFF

Michael P. Gasbarre, Executive Director
Philip H. Klotz, Assistant Director
David A. Greene, Legal Counsel
Kristopher J. Gazsi, Associate Legal Counsel
Karen S. Bear, Secretary

GUESTS

Lee Derr, Senator Eichelberger's Office
Tom Golden, Senator McGarrigle's Office
Luc Miron, Senator Blake's Office
Kyle Mullins, Senator Blake's Office
Virginia Gregory, Representative Ross' Office
V. Kurt Bellman, Representative Caltagirone's Office
Christine Goldbeck, House Republican Research Office
Wanda Snader, House Republican Research Office
Rob Gaertner, House Republican Research Office
John Fulton, House Local Government Committee (D)
Jonathan Hendrickson, Dept. of Community & Economic Development
Lisa Schaeffer, County Commissioners Association of Pennsylvania
Amy Sturges, Pennsylvania Municipal League
Karey Molnar, Pennsylvania Municipal League
Joe Regan, Fraternal Order of Police
Andrew Bell, House Republican Intern
Bryan DeWalt, House Republican Intern
Sean Morrison, House Bipartisan Management Committee Intern

As the first order of business, the Members discussed the minutes of the December 10, 2014, business meeting, which were unanimously approved on a motion by Representative Ross and a second by Representative Freeman. The financial report for the month of December 2014 was presented, and a detailed explanation was given by the Executive Director. The financial report was unanimously approved on a motion by Representative Ross and a second by Representative Gingrich.

There was nothing to report from the December 11, 2014, meeting with the local government associations. The minutes of that meeting were unanimously approved on a motion by Representative Ross and a second by Representative Gingrich.

The Members unanimously approved a motion by Representative Ross, which was seconded by Representative Gingrich, to approve the renewal of the janitorial services contract with Klass Act Kleaning & Maintenance, Inc. The term of the contract commences on January 1, 2015, and will end on December 31, 2015. The contract specifies that compensation shall not exceed \$555.46 per month, which is unchanged from the previous contract.

A discussion ensued regarding the establishment of a task force to examine issues related to the management and funding of municipal pensions. A draft concurrent House Resolution was

provided to all of the Members for their examination prior to the meeting. Representative Ross requested that the Commission staff draft the resolution legislation as a result of the deliberations of the Local Government Commission sponsored Act 47 Task Force during the 2013-2014 legislative session. Pennsylvania municipalities have over 3,000 pension plans and 640 municipalities have distressed pension plans of which 140 are moderately or severely distressed, as determined by the Pennsylvania Employee Retirement Commission. Due to the complexity of the issues relating to municipal pension systems, the resolution would direct the General Assembly to appoint a task force to identify the problems and causes associated with unfunded pension liability, examine the management and funding of municipal pensions, and provide practical solutions to promote the solvency of municipal pension plans and prepare a report of findings and recommendation, including proposed legislative remedies to the General Assembly. The task force would be comprised of the following 25 members:

1. Four representatives from the Pennsylvania Local Government Commission
2. Two members of the House Local Government Committee
3. Two members of the House Urban Affairs Committee
4. Two members of the Senate Local Government Committee
5. Two members of the Senate Urban Affairs Committee
6. One appointee from each of the following made by the Governor:
 - a. The Pennsylvania Employee Retirement Commission
 - b. The Department of Community and Economic Development
7. One appointee as made by the President of each of the associations listed:
 - a. The County Commissioners Association of Pennsylvania
 - b. The Pennsylvania State Association of Township Supervisors
 - c. The Pennsylvania State Association of Township Commissioners
 - d. The Pennsylvania Municipal League
 - e. The Pennsylvania State Association of Boroughs
 - f. The Fraternal Order of Police
 - g. The Pennsylvania Professional Fire Fighters Association
 - h. American Federation of State, County, and Municipal Employees (AFSCME)
8. A representative from the Pennsylvania Municipal Retirement System
9. The Auditor General or his designee
10. An expert in public retirement finance and pension asset management selected by the Chair of the Local Government Commission

The Members also agreed to add the State Treasurer and a designee from the Pennsylvania Municipal Authorities Association to the list of task force membership. Representative Freeman noted some typographical errors in the draft legislation and Senator Eichelberger recommended that the term “pension” be replaced with the words “retirement program.” The alterations will be made to the proposed House resolution and companion legislation will be drafted for introduction in the Senate. The Members agreed unanimously on a motion by Representative Gingrich and a second by Representative Ross to the changes and directed that letters and draft legislation be sent to all possible task force members alerting them of the proposal.

In other business, Doug Hill, Executive Director of the County Commissioners Association (CCAP), submitted to the Commission a memorandum dated January 22, 2015, requesting that an amendment to Act 78 of 1979 be considered. Act 78 is entitled: “An Act authorizing political subdivisions, municipality authorities and transportation authorities to enter into contracts for the purchase of goods and the sale of real and personal property where no bids are received.” After discussions with Commission staff and a county solicitor, CCAP agreed that Act 78 only applies to the purchase of goods and the sale of real and personal property, and does not apply to construction projects (in essence, purchase of labor). A county recently undertook a bridge repair project as a result of the most recent Pennsylvania Department of Transportation inspection. The county received quotes for the project that exceeded the bidding threshold, so it put the project out for bid. The county did not receive any bids and so put it out for bid a second time, again receiving no response. The omission of the purchase of labor provision means that the county has no recourse to get the project completed, absent someone finally responding to additional bid requests or someone agreeing to do the project at a rate below the bidding threshold. The Members reviewed the suggested language and recommended that some parts be clarified. The proposed amendment will be redrafted and resubmitted to the Members for their approval possibly as soon as the March Commission business meeting along with other municipal association legislative proposals.

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The Director reminded the Members to contact their caucus leaders if they wish to be reappointed to the Commission. Notice has been received by the Commission that Senator Eichelberger was reappointed for the 2015-2016 legislative session. Senator Eichelberger then introduced new Commission Member Senator Thomas McGarrigle and welcomed him to the Commission. Senator McGarrigle, who replaces retired Commission Member Senator Edwin Erickson, served on the Delaware County Council and prior to that served as a Springfield Township Commissioner.

As the last order of business, the Members unanimously agreed on a motion by Representative Ross and a second by Representative Freeman to cancel the February 11, 2015, business meeting. The Commission's next business meeting is March 4 and will include representatives of the local government associations.

The meeting adjourned at 9:20 a.m.

ATTESTED: _____
February 2, 2015