

MEETING OF THE LOCAL GOVERNMENT COMMISSION

Wednesday, November 14, 2018

The meeting of the Local Government Commission (LGC) 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., Chair
Senator Scott E. Hutchinson
Senator John P. Blake
Senator Judith L. Schwank
Representative Kate Harper (via telephone)
Representative R. Lee James
Representative Mary Jo Daley

STAFF

Philip H. Klotz, Executive Director
David A. Greene, Assistant Director-Legal Counsel
Kristopher J. Gazsi, Associate Legal Counsel
Wanda Snader Dehan, Associate Legal Counsel
Karen S. Bear, Secretary

GUESTS

Lee Derr, Senator Eichelberger's Office
Justin Leventry, Senator Hutchinson's Office
Sarah Filauri, House Local Government Committee (R)
Amy Sturges, Pennsylvania Municipal League
Karey Molnar, Pennsylvania Municipal League
Ed Troxell, Pennsylvania State Association of Boroughs
Hayden Rigo, Greenlee Partners

As the first order of business, the Members discussed the minutes of the October 17, 2018, business meeting which were unanimously approved on a motion by Senator Blake and a second by Representative Daley. The financial reports for the month of October 2018 were presented, and a detailed explanation was given by the Executive Director. The financial reports were unanimously approved on a motion by Representative James and a second by Representative Daley.

The Members received an update by Associate Legal Counsel Kristopher Gazsi on the progress of the Local Government Commission Committee on Act 47. The Committee contacted 14 organizations with direct stakeholder interest in the municipal financial recovery process by letter on July 23, 2018, requesting detailed input related to a range of recovery issues. To date, the Committee has received comments from six organizations. Based on stakeholder feedback, the Committee has explored the following eight recommendations and determined appropriate actions.

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1. **Ethics and Adverse Interests.** Prepare draft legislation to require Act 47 coordinators to meet the same ethics requirements as public officers under state law.
2. **Asset Sales and Lease Agreements.** In 2019, assemble a working group to establish best practices for monetizing assets by sale or lease.
3. **Revenue Phase-outs following Act 47 Recovery.** Some feedback from Act 47 stakeholders supported a gradual phase-out of enhanced revenues at the end of the Act 47 process. Committee will consider whether this should be utilized under certain circumstances.
4. **Streamlining Home Rule for Distressed Municipalities.** Prepare draft legislation establishing an alternative path for a municipality to adopt a home rule charter integrated with the recovery process.
5. **Exchanging Authorized Sources of Local Tax Revenues.** There was broad support from stakeholders for alternative revenue sources for local government. Committee will consider options which would allow greater rate flexibility for some local tax sources like earned income taxes, in exchange for decreased maximum rates on property taxes.
6. **Tax Exempt Property Proposals and Payments in Lieu of Taxes (PILOTs).** In 2019, assemble a working group on PILOTs to provide an optional model for municipalities to reasonably request a fair share contribution from nonprofits.
7. **Expansion of Local Government Taxation Subjects.** The Committee opted not to recommend action on stakeholder requests to authorize new tax subjects.
8. **Comprehensive Act 111 Reform.** The Committee opted not to recommend action to pursue an Act 111 reform project.

Mr. Gazsi offered that the Committee would welcome comments from the other seven organizations and include their feedback in the Committee's determinations. The Committee membership consists of Senator Blake, Senator Schwank, Representative Kampf, Representative James and Representative Freeman.

The Members unanimously approved, on a motion by Senator Schwank, which was seconded by Senator Blake, the renewal of the janitorial services contract with Klass Act Kleaning & Maintenance, Inc. The term of the contract commences on January 1, 2019, and ends on December 31, 2019. The contract specifies that compensation shall not exceed \$589.53 per month, which is an increase of 2 percent from the current contract.

The Director informed the Members that the Commission's current online legal research contract with WestlawNext expires January 31, 2019. A copy of the 36 month renewal contract was given to the Members for their perusal. As with the previous agreement, the WestlawNext online program abolishes the need for hard copies of Purdon's Pennsylvania Statutes. The contract includes a three percent term increase for each year of the three year contract with a total overall cost of \$29,214.96. Commission Legal Counsel David Greene and Associate Legal Counsel Wanda Dehan reviewed the contract and approved its contents. After some discussion, the Members agreed unanimously on a motion by Representative James and a second by Representative Daley to accept Thomson Reuters' 36 monthly payment plan contract for the WestlawNext program.

Office holiday closing dates for 2019 were presented to the Members, with the Members unanimously approving all holiday closing dates on a motion by Representative Daley and a second by Senator Blake.

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Since the current legislative session ends November 30, 2018, the Members unanimously agreed on a motion by Representative James and a second by Representative Daley to cancel the Commission's December 12, 2018, business meeting. The Executive Director reminded the Members that the Pennsylvania State Association of Elected County Officials has invited LGC Members and staff to its annual legislative appreciation dinner to be held on Tuesday, December 11, 2018, at 6:00 p.m. The reservation deadline is Monday, November 26, 2018.

As the last order of business, the Executive Director presented the Members with a copy of an announcement advertising a research analyst job opportunity with the LGC. The candidate for the full-time position must possess a master's degree in public administration, political science or a related field. The advertisement will be submitted to Pennsylvania universities and colleges that offer graduate degrees in the abovementioned fields, the Caucus Administrators of the Senate and House of Representatives and *Pennlive*, the Harrisburg *Patriot News* online newspaper. The closing date for application consideration is December 21, 2018, with interviews beginning in January 2019 and employment commencing in early 2019.

The meeting adjourned at 9:25 a.m.

ATTESTED: _____
December 3, 2018