

A meeting of the Lehigh County Board of Commissioners was held on this date in the Public Hearing Room of the Lehigh County Government Center, with Brad Osborne presiding as Chairman.

Present: Commissioners Thomas Creighton, III, Percy Dougherty, David Jones, Sr., Daniel McCarthy, Vic Mazziotti, Brad Osborne, and Scott Ott. Commissioner Lisa Scheller was absent.

Others: Cindy Feinberg, Director of Community and Economic Development; Mary Hazzard, Assistant Cedarbrook Administrator; Valerie Hildebeitel, Deputy Clerk to the Board; Terry Lopus, Cedarbrook Administrator, LW Consulting; Tom Muller, Director of Administration; Catharine Roseberry, Deputy Solicitor; Glenn Solt, General Services Director; and David Barilla, Clerk to the Board.

The Minutes of the Board of Commissioners' meeting held 12/21/11 were approved upon the motion of Commissioners Dougherty and McCarthy and a unanimous voice vote. Under Executive Sessions, the clerk said none were held since the last meeting of the Board.

Under Citizens Input, Justin Poremba, Director of Government Affairs for the Lehigh Valley Association of Realtors, said we want to go on record that the realtors are in support of county-wide reassessment and it should occur without delay. He said we feel that the true issue is fairness. He said the way to achieve property tax fairness is to conduct a county-wide reassessment and do so in regular intervals. He said our membership was shocked at today's headlines and has many questions as to why this was withdrawn from the agenda.

Under the Chair's Review, the clerk said the Commissioners have received a series of appointments to authorities, boards, and commissions. He said typically, these appointments would have gone before the Intergovernmental and Appointments Committee tonight and the Board of Commissioners on 01/25/12. He said because that committee does not currently have any members serving on the Board, these appointments will be before the committee and the full Board on 01/25/12.

Under Old Business, the clerk announced Commissioner Bill 2011-95: Approving a Subgrant Agreement Between the County of Lehigh and LaFarge North America Inc. for Funds from the Commonwealth of Pennsylvania under the Redevelopment Assistance Capital Program (sponsored by Commissioners Creighton and Dougherty); the deputy solicitor provided a summary. Commissioner Osborne said this bill was reviewed by the Development Committee on 12/21/11.

Commissioner Creighton said this is a \$300,000 state grant to LaFarge to replace an oil furnace with a gas furnace. He said the total project cost is \$1.1 million and it should save roughly \$200,000 per year.

Commissioner Dougherty said these are pass-through funds from the state to be used for economic development and assist one of our local industries. He said he supports this because it helps keep an industry in the Lehigh Valley. He said this is a large corporation that could relocate anywhere in the world.

Stan Bialecki, Lehigh County resident, said he thought a change in administration would change things at the state level, but apparently the "Department of Stupid" is still open. He said LaFarge is a world leader in building materials with 76,000 employees in 78 countries. He said in 2010 they posted sales of \$24 billion in US dollars. He said he does not believe they will leave without a \$300,000 grant. He said Pennsylvania can't take care of its infrastructure, but we can give a \$24 billion dollar company a grant.

Commissioner Ott said he will vote no on this bill. He said there is a tendency for governments to receive grants from other governments as if they were not taxpayer dollars. He said he is glad LaFarge is here and we welcome any large or small business that wants to be part of this community. He said when governmental entities get in the business of picking favorites, we meddle with a system that does not take well to meddling. He said with no malice towards the grant applicant, he opposes this entire concept. He said we are accountable to the Lehigh County taxpayers who paid for this and the other taxpayers across the state.

Commissioner Mazziotti said he will also oppose this grant. He said if Harrisburg does not know what to do with this \$300,000; he would suggest reducing the state income tax and return it to the taxpayers.

Commissioner McCarthy said if this money is turned down it does not go back to the state coffers, another place in Pennsylvania will receive this grant and not Lehigh County. Commissioner Mazziotti said that is what those who want to spend money like this always say. He said we are responsible for this grant; others bear the responsibility of their decisions.

Commissioner Bill 2011-95 was approved by the following vote: Commissioners Creighton – yes; Dougherty – yes; Jones – yes; McCarthy – yes; Osborne – yes; Mazziotti – no; and Ott –no.

Refer to the Ordinance Book for County of Lehigh Ordinance No. 2012-101.

Re: Approving a Subgrant Agreement Between the County of Lehigh and LaFarge North America Inc. for Funds from the Commonwealth of Pennsylvania under the Redevelopment Assistance Capital Program.

Under New Business, Commissioner Ott made the following motion: to accept the Lehigh County Board of Commissioners' committee assignments, as presented by Commissioner Brad Osborne, Chairman of the Board of Commissioners. The motion was seconded by Commissioner Dougherty and approved by a unanimous voice vote.

The clerk announced Resolution 2012-01: Approving a Professional Services Agreement with HealthDrive Corporation T/A HealthDrive Dental Group (sponsored by Commissioner McCarthy); the deputy solicitor provided a summary. Commissioner Osborne said this resolution was reviewed by the Cedarbrook Committee on 01/11/12.

Commissioner McCarthy said Cedarbrook's administration reviewed this contract in committee tonight. He said this provides a second dental provider for the residents. He said the services and fees are comparable to the current provider. He said this provides a choice for dental services to the residents. Resolution 2012-01 was approved by a unanimous voice vote.

Refer to the Resolution Book for County of Lehigh Resolution No. 2012-01.

The clerk announced Commissioner Bill 2012-01: Approving an Agreement of Sale of County-Owned Land Located in Upper Milford Township (sponsored by Commissioner Dougherty); the deputy solicitor provided a summary. Commissioner Osborne said this bill was reviewed by the Planning Committee on 01/11/12.

Commissioner Dougherty said this property has been the subject of numerous prior discussions. He said the land was purchased in the 1970s with the intent of establishing a Lehigh County golf course and park.

Commissioner Dougherty said through this agreement 10 acres of this property would be sold to Seedway for \$260,000. He said Lehigh County has appraised the land at \$240,000 and Seedway has an appraisal of \$208,000. He said Seedway is the current tenant on this land and it is a good agricultural use for this property. He said Seedway will assume all costs associated with the property transfer. He said Lehigh County has the right-of-first refusal to repurchase the land at the sales price. He said there is also a covenant that limits the land use to its current use. He said the proceeds from this sale will be invested in agricultural preservation projects.

Commissioner Ott said an extraordinary negotiation was done. He said he is glad to see Lehigh County getting out of the business of being a landlord. He said this is a great idea.

Commissioner Mazziotti asked where these dollars will go. Commissioner Dougherty said these funds will enhance the Agricultural Preservation program. He said he hopes that these funds will be used to draw down state funds to purchase deed restrictions to keep land in agriculture. Glenn Solt said the state match continues to decrease. He said the ordinance requires the funds to be used for agricultural preservation efforts. He said that could be in any form, as approved by the Board, when the administration seeks to expend these funds.

Catharine Roseberry said for clarification, the ordinance which authorized the negotiation of the sale specifies the use of the proceeds. The Chair announced the bill's first reading. Second reading, discussion and vote will be held on January 25, 2012 in the Public Hearing Room of the Lehigh County Government Center.

The clerk announced that Commissioner Bill 2012-02: Authorizing the Implementation of the Reassessment Process, was listed on the agenda and has been withdrawn by the sponsors.

Commissioner McCarthy said he, along with Commissioner Dougherty, were sponsors and agreed to pull the bill. He said he pulled the bill at the request of the County Executive who indicated there were some technical issues with respect to certain valuations and they were not ready to go forward. He said he was disappointed to hear this. He said over the last few years this Board and he believes the administration has recognized that there is inequity in the valuation of real estate in Lehigh County. He said the last county-wide reassessment was in 1991. He said it is time to do this.

Commissioner McCarthy said over the last two years the Board of Commissioners appropriated close to \$700,000 to reassess. He said not all of that has been spent. He reviewed the work that the Assessment Office and vendors have done over the last two years to do this job in-house. He said it is significant that the work was done in-house; 20 years ago the County spent over \$6 million with an outside agency.

Commissioner McCarthy said the idea was that by 02/01/12 the new valuations would be out to members of the public. He said there would be an informal appeal process and then the formal appeal process which has been in place for many years. He said it is a very established, very much understood appeal process. He said many of our larger taxpayers and larger corporations have been very successful in appealing assessments by hiring their own appraisers and lawyers. He said the result of these appeals is that County tax revenues have decreased by about \$1 million.

Commissioner McCarthy said one of the reasons that we had a tax increase was because we had less tax revenue coming in and taxes went up. He said residential owners can not afford to hire lawyers and appraisers with respect to their valuations. He said year after year they basically pay their taxes without question or comment, even though in many cases what they are paying is unfair based upon their property valuations.

Commissioner McCarthy said he was disappointed when the County Executive said that we need to pull back on this. He said he was more disappointed when he read that one of the reasons why was the volatility in the local real estate market. He said he believes there is a lot of staleness in the market, not a lot of volatility.

Commissioner McCarthy said if adjusting the model for some glitches is the issue that is fine and he wants to give the administration time to do that. He said his fear is that this could slip into 2013 which is an election year and then reassessment could become a political football. He encouraged people to review the current situation in Allegheny County to see how reassessment can be a political football. He said he wants to see a measured honest valuation of property in Lehigh County. He said he does not like the property tax, but he can not change that. He said reassessment is a matter of fairness and he believes it should be done in 2012 with new values in place for 2013.

Commissioner Dougherty said he is also disappointed that this has been withdrawn. He said a number of steps were taken and he hoped this would be the year for a reassessment which is only fair for property owners. He said across Lehigh County, reassessment will be revenue neutral. He said he is convinced that if we put this on hold now, we are talking about a one year delay.

Commissioner Dougherty said he has been assured that the work that has been done has been well spent: including the pictometry, the photography, and the change finder. He said although it is not his preference, the data will not go out of date if we have to wait for one year. He said many counties our size are paying upwards of \$8 million for what we have done in-house. He said \$266,000 was paid for drive-by photography and \$39,000 for change finder which will more than pay for itself. He said he would prefer to see this now, but it looks like we will have to wait another year.

Commissioner Dougherty said the state legislature should pass legislation that requires counties to reassess every ten years or maybe even every five years.

Commissioner Ott said the arguments of Commissioners McCarthy and Dougherty are persuasive. He said we are a legislative body which is a co-equal branch with the County Executive. He said we have the ability to act independently. He asked if Commissioners McCarthy and Dougherty are willing to introduce this bill.

Commissioner Jones asked why we are not going forward with this bill.

Tom Muller said he apologizes; the administration would not normally come forward at the last minute with a request to withdraw something of significance. He said a lot has been accomplished over the last year. He said the Board approved two items that Commissioner Dougherty reviewed that were unique. He said the drive-by photos which are good for five years under assessment standards cost \$266,000. He said change finder is a software tool tied to our flyovers which indicates property changes and cost \$39,000. He said everything that change finder indicated will be used anyway. He said the rest of the work was done by our department of state certified assessors. He said the 2011 Budget for reassessment was \$750,000 and we have spent \$305,000.

Muller said everyone's home is currently assessed at 1991 values. He said if you built between now and 1991, the house has been taken back to 1991 values. He said the market has certainly changed since 1991. He said the general rule of thumb of reassessment is that 40% of people will see a tax increase, 40% will see a tax decrease, and 20% will stay the same. He said the overall process is revenue neutral; the County does not receive any additional revenue.

Muller said we have tremendous knowledge and data on our properties. He said a key ingredient to the process is market values. He said he disagrees with Commissioner McCarthy that the market is not volatile. He said recent news reports indicate that the market dropped another 7% in 2011. He said by adding 2011 data to the model, things

change. He said this is an unusual real estate market. He said these are not all true market sales and it is not a usual real estate market.

Muller said we are not ready for business with the model being fed this market data. He said he does not know if the Board can move forward; that is a question for the Law Department. He said it would be a mistake if the Board wants to push forward with data that he will say and those who are certified to do this will say is inaccurate and can not be trusted at this time.

Commissioner Jones said essentially there is instability and volatility in being able to determine a proper bench mark for property values. He said he accepts the sincerity of that. He asked if stable markets will return in the next few years. Muller said he does not know the future of the market. Commissioner Jones said if we are waiting for what used to be a stable market it could be a very long wait.

Muller said the timetable allowed for informal appeals from March through June. He said we really need a mailing by February 2nd to stay on that timetable.

Commissioner McCarthy asked how much data is not up to speed. Muller said it is really the market data.

Commissioner Mazziotti said he has been impressed with Lehigh County's assessment effort. He said Northampton County pulled back on a possible joint effort due to market volatility. He said he discussed that matter with Lehigh County's Chief Assessor who assured him that was not a problem and Lehigh County was prepared to deal with that volatility question. He said his concern was how you could set values with that much market volatility.

Commissioner Mazziotti said he was shocked to see reassessment placed on hold for two reasons. He said the administration does not have the right to determine whether Lehigh County has a reassessment or not. He said this body is responsible for that and not the administration. He said he was also shocked that as an elected official he was reading about this in the newspaper. He said this decision can only be made by the Board and not the administration. He said if the administration has concerns, come to the Board, present the information, and give us the opportunity to make that decision.

Commissioner Mazziotti said there may be good reasons for not moving ahead, but he would hope that the Board would make that decision. He said it is our responsibility and we should not read the County Executive's decision in the newspaper. He said he would like to see a presentation to the entire Board of Commissioners. He said we need information to make this decision. He said he would like to publicly ask the Chief Assessor questions on volatility. He said there are some people who think this may be a political decision. He said the Board has an obligation to get answers.

Muller said in 2006 Lehigh County had a different Chief Assessor. He said the market was also far less volatile in 2006 than it currently is today. He said he has apologized. He said normally, the Board is given advance notice on everything. He said if the Board wants to pursue this feel free, but you are going with a bad product. He said he would virtually guarantee that there will be more than 16,000 appeals and they will be valid appeals.

Mazziotti said he had a discussion with someone in the Assessment Office in the last two years. He said he is startled that Muller said he does not know this body has the ability to make this decision. He said there is a role for the administration and he respects that. He asked that Muller respect the role of the Board of Commissioners.

Commissioner Jones said these issues are not going to be solved tonight. He said we can review this issue in the future.

Commissioner Ott said this bill could have a first reading tonight and then have consideration at our next meeting. He said this would give the opportunity for the administration and Commissioners to make their cases at the next meeting. He said we could give the bill a clean up or down vote at that time.

Commissioner McCarthy said this bill could come back by a Commissioner sponsoring the bill. He said the window to do this will close in the near future.

Commissioner Ott asked if Commissioners McCarthy and Dougherty are not willing to bring this back now, is it in order for him to introduce this.

Catharine Roseberry said any Commissioner is entitled to sponsor legislation before the Board. She said it does not have to be the original sponsors. She said under the circumstances, another Commissioner could put their name on as a sponsor. She said the public has been given notice that this bill is on the agenda and it is not necessary to suspend the "Rules of the Board".

Commissioner Osborne asked what the administration's intent is. Muller said the administration does not support going forward. He said the administration will not be back for a long conversation and debate in two weeks. He said we have made our point; there is not more to say.

Commissioner Dougherty questioned if the Board could force the administration to move forward with reassessment.

Commissioner Ott said he thinks the Home Rule Charter gives the Board the authority to legislate and that legislation must be followed by the administration. He said if Commissioners McCarthy and Dougherty do not reintroduce the bill, he will do it. He said we need to move forward and get a clean up or down vote at the next meeting. He said Mr. Muller is incorrect on his ability to refrain from appearing before us if we should

request that. He said at the next meeting, whether Muller shows up or not, we can still consider this matter and vote.

Ray Geiger Jr. said he is a member of the Pennsylvania Assessors Association and has worked in 17 counties and Lehigh County has the best Assessment Department. He complimented Lehigh County's data base. He urged the Board of Commissioners to move forward with reassessment.

Commissioner Ott sponsored Commissioner Bill 2012-02. The clerk announced Commissioner Bill 2012-02: Authorizing the Implementation of the Reassessment Process (sponsored by Commissioner Ott); the deputy solicitor provided a summary.

Commissioner Ott moved to amend paragraph two on page two of Bill 2012-02 to change the term authorized to directed. The motion was seconded by Commissioner Creighton.

Commissioner Mazziotti said he will vote for this amendment and he will vote for this bill. He said it is not because he believes we should go ahead with a flawed reassessment. He said he is somewhat startled to hear Tom Muller say that he is done and he will not say anymore. He said he thinks that is inappropriate and that is the reason he will vote for this bill.

Commissioner Dougherty said he will vote for the amendment. He said he believes this will result in transparency and open communication. He said this does not state that we will have to vote for the second reading of the bill.

Commissioner Jones said he will support the amendment. He said he wants to pose a concern. He said it is very important that we are able to develop a collaborative relationship and partnership. He said his concern is the obligation level of the administration when we direct.

Commissioner Ott said the only reason that wording was pondered was because of the comments expressed by the administration. He said when the legislative body legislates; the administration has to carry out those wishes.

Muller said he wants to clarify that he will be at the next meeting and is at virtually all meetings. He said if the Commissioners decide to move forward the administration will work the best model we can. He said he stated the administration's case on the situation and that is why there is no need to debate in two weeks. He said his point is that we have explained where we are. He said that is the only point he was making. He said if the Board insists on moving forward we will execute to the best of our ability.

The motion to amend the bill was approved by a unanimous roll call vote.

Paragraph two on page two to Commissioner Bill 2012-02 was amended to read as follows: 2. The County Executive is hereby directed to implement the County-wide reassessment to be effective in 2013.

The Chair announced the bill's first reading as amended. Second reading, discussion and vote will be held on January 25, 2012 in the Public Hearing Room of the Lehigh County Government Center.

The Committee Reports were given as follows:

General Services, Human Services, Intergovernmental & Appointments, Judiciary & Corrections - No report.

Cedarbrook – Commissioner McCarthy reviewed the agenda of the committee meeting held 01/11/12.

Development – Commissioner Creighton reviewed the agenda of the committee meeting held 01/11/12.

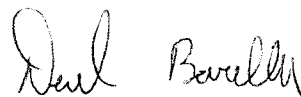
Planning – Commissioner Dougherty reviewed the agenda of the committee meeting held 01/11/12.

Administrative – Commissioner Dougherty asked that Administrative Committee members forward their goals or suggestions to him.

Commissioner Ott commended the work of Commissioner Osborne in balancing the committee requests.

There was no Citizens Input on Committee Reports. There were no Commissioner Announcements. There was no Citizens Input at this time.

The meeting adjourned at 8:59 p.m.



David Barilla, Clerk to the Board