

1 COMMONWEALTH OF PENNSYLVANIA  
2 HOUSE OF REPRESENTATIVES  
3 HOUSE INTERGOVERNMENTAL AFFAIRS COMMITTEE

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6 ERIE CITY COUNCIL CHAMBERS  
7 626 STATE STREET  
8 ERIE, PENNSYLVANIA

9  
10 THURSDAY, NOVEMBER 19, 2009  
11 10:07 A.M.

12 PUBLIC HEARING

13  
14  
15 BEFORE:

16 HONORABLE W. CURTIS THOMAS, CHAIRMAN  
17 HONORABLE DANIEL J. DEASY  
18 HONORABLE CHRIS SAINATO (Chair -- Northwest Regional  
19 Delegation)  
20 HONORABLE JOHN HORNAMAN  
21 HONORABLE FLORINDO J. FABRIZIO  
22 HONORABLE DOM COSTA  
23 HONORABLE MARK LONGIETTI

24  
25 ALSO PRESENT:

PATRICIA A. CUSTIS, EXECUTIVE DIRECTOR

REPORTED BY JANIS L. FERGUSON, RPR, CRR  
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1 CHAIRMAN THOMAS: Good morning. My name is W.  
2 Curtis Thomas, and I'm Majority Chairman of the  
3 House Intergovernmental Affairs Committee. It is  
4 about eight after 10:00, and we are going to move  
5 forward, especially since we have with us this  
6 stellar delegation from the northwest and from  
7 Erie.

8 Let me say good morning to each of my  
9 colleagues. And I want to start -- before I make  
10 an opening statement, I want to acknowledge them  
11 and ask them if they would like to take a half a  
12 minute and just say good morning. And I want to  
13 start with Representative Sainato, who is Chairman  
14 of the northwest delegation.

15 REPRESENTATIVE SAINATO: Thank you, Mr. Chairman.  
16 On behalf of the northwest delegation, I would  
17 like to welcome you to the northwest. And it's  
18 always great to be in Flo Fabrizio, John Hornaman,  
19 and Pat Harkins' area, who are great members of  
20 the northwest caucus, as well as others sitting  
21 here. And I just thank you for coming in all the  
22 way from Philadelphia to be here on this very  
23 important subject matter, and welcome.

24 CHAIRMAN THOMAS: Thank you. Next to  
25 Representative Sainato is Representative John

1           Hornaman, who is from this very beautiful part of  
2           the State. I'd like to ask Representative  
3           Hornaman, who is also a member of the House  
4           Intergovernmental Affairs Committee.

5           Representative Hornaman.

6           REPRESENTATIVE HORNAMAN: Thank you, Mr. Chairman.  
7           And, again, just like Representative Sainato said,  
8           thank you so much for coming up here and bringing  
9           this meeting to Erie County.

10           So many of my constituents wonder about what  
11           has the stimulus done for me, what has the  
12           stimulus done for my district. In fact, I  
13           wondered the same thing. So I paid close  
14           attention, and I'm very happy for what the  
15           stimulus money has done for my roads and bridges  
16           and schools.

17           At the same time, I think it's important to  
18           have a hearing like this so that everyone can be  
19           aware. We can hear from the local leaders and  
20           other stakeholders what this ARRA funding has  
21           done, and I'm very happy and pleased that you  
22           brought this meeting to Erie County today. Thank  
23           you.

24           CHAIRMAN THOMAS: Thank you. And since we just  
25           heard from the Erie delegation, I'm going to

1 acknowledge the other members of the Erie  
2 delegation that is with us this morning. And let  
3 me turn to the Honorable Flo Fabrizio from Erie  
4 County and ask him if he would just give a shout  
5 out.

6 REPRESENTATIVE FABRIZIO: Thank you, Mr. Chairman.  
7 And on behalf of the northwest delegation and Erie  
8 delegation, particularly my district right here,  
9 we want to welcome you back to Erie, and we want  
10 to commend you, because you take your job  
11 seriously, and you're one of those people from  
12 Philadelphia that doesn't -- that does know that  
13 Erie is not a part of Canada; that we are a part  
14 of the Commonwealth. And we really appreciate  
15 your efforts. Thank you.

16 CHAIRMAN THOMAS: Thank you, sir.

17 Next you're going to hear from one of our  
18 newer members of the Pennsylvania General  
19 Assembly, but he is only new in tender. He is not  
20 new to the process, nor is he going to sit back  
21 and wait his turn. He's already coming out doing  
22 all that he can for his county, and that is the  
23 Honorable Dom Costa.

24 REPRESENTATIVE COSTA: Thank you, Mr. Chairman.  
25 I'm happy to be here, and it's always an honor to

1 sit on one of your committees. I've got a lot of  
2 respect for you. You're one of the very hard  
3 working chairmen of the legislature, and I've  
4 noticed that, even though I am young as far as  
5 tenure. The age is there. And I'm happy to be  
6 here and representing Allegheny County.

7 CHAIRMAN THOMAS: Thank you. And last, but not  
8 least, another member of the House  
9 Intergovernmental Affairs Committee, the Honorable  
10 Mark Longietti from Mercer County. Representative  
11 Longietti.

12 REPRESENTATIVE LONGIETTI: Thank you,  
13 Mr. Chairman. I certainly appreciate your  
14 leadership in convening this hearing to talk about  
15 the Recovery Act and how it's affected this  
16 portion of Pennsylvania.

17 I want to recognize and thank one of my  
18 County Commissioners, Ken Ammann, who is one of  
19 our Mercer County Commissioners, who is in  
20 attendance today, and he does a fine job for our  
21 county. And, once again, appreciate the City of  
22 Erie hosting us as well. Thank you.

23 CHAIRMAN THOMAS: Thank you, sir. And, again, let  
24 me just thank members of the delegation for coming  
25 out this morning. In the southeast, we -- we

1 always are willing to say thank you when people  
2 step up to the plate. So let's give these members  
3 a big hand of applause.

4 (Applause.)

5 CHAIRMAN THOMAS: In early 2007, two additional  
6 task forces was identified within the  
7 Intergovernmental Affairs Committee. One was the  
8 Real ID, the other was the Immigration Task Force.  
9 The continued goal of the committee and its  
10 members is to maintain a collective and  
11 collaborative partnership in all areas of purview  
12 for the Committee within the Commonwealth of  
13 Pennsylvania. We are here this morning to talk  
14 about the Intergovernmental -- to talk about the  
15 American Recovery & Reinvestment Act. And we know  
16 that we can probably go on all day and tomorrow in  
17 talking about ARRA, but the thing that's of  
18 greatest concern to the committee is, number one,  
19 are you aware of the investment to date in the  
20 northwest with respect to the American Recovery &  
21 Reinvestment Act; how much money has come to Erie  
22 County and the northwest. Secondly, has those  
23 dollars been able to create jobs, as it was  
24 intended.

25 We know that job creation is -- is real

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important to all of our counties, so we want to -- we want to hear from leadership on whether or not stimulus dollars has created new jobs.

Secondly, has it put money back into the economy. Is your economy better off today as a result of the ARRA investment than it was prior to the ARRA investment.

This is the third of a number of statewide hearings that the committee is engaged in. We have visited Scranton, we have visited Indiana County, and we will be holding hearings in Harrisburg and in Southeastern Pennsylvania. And the focus of the hearings is to hear from leadership, because as you and I know, and the committee is very aware of the fact, that as of today, we have seen probably a third of stimulus monies from Washington. By the time a major portion of stimulus dollars reaches the Commonwealth of Pennsylvania, we will probably be talking about a new Governor, which is less than a year away.

And so there's an overall concern as to whether or not the model that is currently in place -- and that model is an executive model called the ARRA Oversight Committee, which is



1           chaired by Secretary James Creedon of the  
2           Pennsylvania Department of General Services. He  
3           is the stimulus czar for the Commonwealth of  
4           Pennsylvania. And there are a number of people on  
5           the Oversight Committee. But the Oversight  
6           Committee has primary responsibility for  
7           implementation of stimulus dollars and programs.

8           We would like to know. We would like to hear  
9           from you on whether or not this executive model is  
10          a model that we should continue with, or whether  
11          we should be looking at some other model that will  
12          allow for a long-term sustainability of the good  
13          things that we're able to do with stimulus  
14          dollars. Because as you and I know, it makes no  
15          sense to do it -- make an investment today that we  
16          will end up having to do without tomorrow. So  
17          it's important that we look at ways in which we  
18          can institutionalize the good things that happen  
19          with the stimulus money and get the kind of  
20          sustainability that all Pennsylvanians need for  
21          job creation and putting money back into the  
22          economy.

23          And so today we have an excellent panel of  
24          presenters this morning; people who will talk  
25          about the impact of ARRA on this section of the

1 Commonwealth of Pennsylvania and also provide us  
2 with some recommendations.

3 And we're going to start our hearing with  
4 Miss Kim Green, who is the Director of Economic  
5 and Community Development for the City of Erie,  
6 Pennsylvania.

7 Good morning, Miss Green.

8 MS. GREEN: Good morning, Chairman Thomas and  
9 distinguished members of the committee. Welcome  
10 to the great northwest, and, more specifically, on  
11 behalf of Mayor Joe Sinnott and the citizens of  
12 Erie, welcome to our beautiful city by the bay. I  
13 trust you're enjoying your time with us, and I  
14 thank you for your commitment to the northwest  
15 region of this great Commonwealth. Because we are  
16 so far removed from Harrisburg, and we typically  
17 get a bit of snow this time of year, Erie often  
18 does not get this kind of attention. So we are so  
19 pleased to have you provide this public forum for  
20 our community to comment on the ARRA legislation.

21 As you said, I am Kim Green, Director of  
22 Economic and Community Development for the City of  
23 Erie, and I'd like to share with you this morning  
24 some of my thoughts on this important funding.

25 The City of Erie is a federal entitlement

1 community for Committee Development Block Grant  
2 funds and for Emergency Shelter grants and for the  
3 Home Partnership funding. As such, we received  
4 additional Community Development Block Grant funds  
5 through ARRA in the amount of \$953,000. We were  
6 able to put this money to work in our community  
7 very quickly by resurfacing streets, installing  
8 handicap curb cuts in areas of the city that  
9 qualified as low to moderate income. We had this  
10 work accomplished by the end of September and  
11 reported this out at the government website  
12 [www.federalreporting.gov](http://www.federalreporting.gov).

13 As a result of this funding, five  
14 construction jobs were retained for a period of  
15 nine weeks. I should also add that the City,  
16 though allowed 10 percent for administrative  
17 costs, did not take any administrative dollars  
18 from our allocation, but, instead, made the  
19 decision to put all of the funding into these  
20 much-needed construction jobs.

21 In addition to the CDBG-R funds, we also  
22 received nearly \$1.5 million in Housing Prevention  
23 and Rapid Rehousing funds. We have contracted  
24 with the Erie County Department of Human Services,  
25 Office of Mental Health and Mental Retardation to

1 administer the program. They will subcontract  
2 with four agencies to perform the specific tasks  
3 of the program.

4 Community Shelter Services will be  
5 responsible for Case Management and will assist  
6 clients with housing searches for the rapid  
7 rehousing and ensure that all housing units meet  
8 habitability standards. Their case management  
9 services will include acting as a brokerage  
10 service to connect the clients with resources,  
11 including mental health, substance abuse,  
12 budgeting, financial literacy, employment,  
13 education, DPW, Social Security benefits,  
14 childcare, life skills, and parenting.

15 The Erie United Methodist Alliance's Project  
16 Hope for the Homeless will act as the homeless  
17 management information system to collect all  
18 homeless data and provide quality reports.

19 Additionally, we will contract with GECAC,  
20 the Greater Erie Community Action Committee, and  
21 St. Martin's Center to conduct income and landlord  
22 verifications, provide first month's rent and  
23 security deposits for people who are homeless,  
24 rent assistance for people who are in danger of  
25 becoming homeless and in arrears on their rent.

1           Also, we can provide utility assistance of up to  
2           six months for the homeless and near-homeless  
3           population. Of course, these funds must be used  
4           for individuals and families meeting the income  
5           guidelines. Our priority will be families,  
6           especially single head of households with  
7           children. The adults that are assisted with this  
8           short-term rent assistance will be required to  
9           attend one-on-one budget counseling and  
10          participate in a group financial literacy class.  
11          All clients must first meet with a case manager  
12          for intake and assessment. We estimate this  
13          funding will allow us to assist approximately  
14          8,282 households.

15                 In regards to economic impact, this funding  
16          will create 3.5 new jobs and retain two.

17                 We have also received \$164,000 of ARRA  
18          funding through the Pennsylvania Department of  
19          Health for a HUD-sponsored Healthy Homes Grant.  
20          This grant is designed to reduce health and safety  
21          hazards in foster homes throughout the City of  
22          Erie. This will work very well to improve  
23          housing, as we already administer a \$3 million  
24          Lead Hazard Control Grant, and our Redevelopment  
25          Authority recently was recently awarded a \$4

1 million Lead Demonstration Grant. With these  
2 combined funds, we will be able to drastically  
3 improve the pre-1978 housing stock within our  
4 community.

5 I would be remiss if I did not mention the  
6 funding we are receiving for our Neighborhood  
7 Stabilization Program through the Pennsylvania  
8 Department of Community and Economic Development.  
9 While these funds are not authorized by ARRA, they  
10 were part of the Housing and Economic Recovery  
11 Act, or HERA, and will provide further  
12 stabilization to our communities affected by  
13 foreclosure and abandonment.

14 Our total allocation is close to \$2.1  
15 million. With these funds, we will be able to  
16 rehabilitate a six-unit apartment building to  
17 provide housing for people below 50 percent of  
18 median income. We also plan to demolish 15  
19 blighted and abandoned residential units, acquire  
20 and land-bank an additional five units for future  
21 development, construct six new single-family homes  
22 that will be available for buyers below 120  
23 percent of median income. We will partner with  
24 the Erie Redevelopment Authority, St. Martin's  
25 Center, Housing and Neighborhood Development

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Services, and the Bayfront Eastside Task Force to accomplish these goals.

We are very pleased to have this funding coming in to our community to help stabilize and improve neighborhoods, but the time line for these funds, as well as much of the ARRA money, is very tight.

For instance, in the case of our NSP program, 75 percent of our allocation must be under contract by March of 2010. This has become an enormous issue for Pennsylvania because of the budget impasse we recently experienced. Most states were able to get this funding under contract last March, but due to the budget hold-up, we just recently received our contract with the State. That delay has put us at least six months behind the rest of the country.

Keep in mind, we must complete appraisals, environmental reviews, historic reviews, advertise, sign subrecipient agreements with several partnering agencies, and only then can we begin to draw down any of these funds. Add to that the difficult construction season that we experience here in Erie, and we are truly behind the eight ball.

I'm certain that other communities across the

1 Commonwealth are faced with the same dilemma. The  
2 troubling part is that if we don't have these  
3 funds under contract, they will have to be  
4 returned to the Federal Government.

5 I would ask that each of you work with  
6 Pennsylvania's Federal legislators to get some  
7 sort of an extension from HUD for Pennsylvania, or  
8 we may end up losing a great deal of this Federal  
9 funding.

10 While NSP presents the most urgent problem,  
11 the American Recovery Act has some very tight  
12 spending deadlines as well. While I understand  
13 the urgency of getting these funds on the street,  
14 so to speak, I am troubled that we were forced to  
15 design programs and projects based on shovel-ready  
16 criteria, rather than on what may have been the  
17 best plan for an individual community. Program  
18 parameters that allow us to stretch our creativity  
19 and incorporate economic development are often  
20 what communities our size need. It is difficult  
21 to have a one-size-fits-all approach to address  
22 the various needs across our country.

23 Again, I want to thank you for your interest  
24 today. While perhaps not perfect, these funds  
25 couldn't have come at a better time for Erie. The



1 latest U.S. Census figures released last month  
2 show that Erie now has a higher poverty rate than  
3 Pennsylvania's two largest cities, Pittsburgh and  
4 Philadelphia. Some of this funding will help us  
5 provide direct services to those in need, and  
6 that's very important. But to address poverty, we  
7 must look beyond programs that offer temporary  
8 assistance. We must look at education and begin  
9 to address workforce development issues. This is  
10 not only Erie's problem or Pennsylvania's problem.  
11 In 2008, our nation had its highest level of  
12 poverty in 12 years. The American Recovery &  
13 Reinvestment Act has been a good start, but we  
14 must look further and dig deeper to figure out how  
15 to help our businesses, entrepreneurs,  
16 manufacturers succeed in these very difficult  
17 times. Without them, there will be no jobs, no  
18 growth, and no future.

19 Again, thank you, Chairman.

20 CHAIRMAN THOMAS: Thank you. That was very good.

21 Let me start with Representative Fabrizio.  
22 Questions?

23 REPRESENTATIVE FABRIZIO: No.

24 CHAIRMAN THOMAS: Representative Costa?

25 REPRESENTATIVE COSTA: No, sir.

1 CHAIRMAN THOMAS: Representative Longietti?

2 REPRESENTATIVE LONGIETTI: Thank you,  
3 Mr. Chairman.

4 Thank you for your testimony. First of all,  
5 I'm going to commend you in regard to the Housing  
6 Prevention and Rapid Rehousing Funds and requiring  
7 one-on-one budget counseling and financial  
8 literacy. Financial literacy is a passion of  
9 mine. You know, obviously, these are important  
10 safety net programs to help people. We also need  
11 to, as you said at the end of your remarks, try to  
12 teach them to be able to be self-sustaining, and I  
13 think that's very important.

14 Two questions that I had. One: You  
15 indicated some job figures. I just wanted to  
16 chase down. I saw that you're partnering with a  
17 number of non-profit agencies. Do those job  
18 creation/retention figures also consider the  
19 non-profits?

20 MS. GREEN: Yes.

21 REPRESENTATIVE LONGIETTI: Now, I also wanted, on  
22 the neighborhood stabilization front, you  
23 indicated that's actually outside of the Recovery  
24 Act; it flows through the Department of Community  
25 & Economic Development. Are those federal dollars

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or are those State dollars? Do you know?

MS. GREEN: Yes. Those are federal dollars that were awarded to the State of Pennsylvania, and Pennsylvania contracts with individual cities.

There were four cities in Pennsylvania that received direct allocations based on the amount of foreclosures in their individual communities. Thank God, we -- our foreclosure rates weren't high enough to become a direct entitlement. But on a competitive basis, then, cities were able to compete with the neighborhood stabilization funds, and we were fortunate to get over \$2 million.

REPRESENTATIVE LONGIETTI: And if I hear your testimony correctly, you're asking for some help from us to contact the Federal legislators to give you more time to draw those monies down.

MS. GREEN: Right. Most -- most states were able to start spending this money last March. But because there was a budget impasse in Pennsylvania, and I suspect probably in California as well, you know, we're really behind the eight ball here, and we need some extra time. If we don't have that extra time, we really do risk losing that money.

REPRESENTATIVE LONGIETTI: So in my case,

1           Congresswoman Kathy Dahlkemper, who actually is  
2           from Erie, also represents a good portion of my  
3           county --

4           MS. GREEN: And I've been in touch with  
5           Congresswoman Dahlkemper's office to express my  
6           concerns on that.

7           REPRESENTATIVE LONGIETTI: Very good. Well, we'll  
8           try to help as well. Thank you.

9           MS. GREEN: Thank you.

10          CHAIRMAN THOMAS: Thank you, Representative  
11          Longietti.

12                 We have been joined by the Honorable Deasy,  
13          who is also from Erie County, and we want to  
14          welcome him. He's also a member of the  
15          Intergovernmental Affairs Committee. Want to say  
16          hello before we --

17          REPRESENTATIVE DEASY: Good morning. Thank you.  
18          Correction. I'm from Allegheny County; City of  
19          Pittsburgh.

20                 But I do want to thank the Chairman for  
21          coming out to the western part of the state. He's  
22          been very diligent to hear from a number of  
23          municipalities on this issue. We look forward to  
24          hearing the testimony here today. And I do want  
25          to thank the Chairman for coming out west and

1 spending a lot of time on this very important  
2 issue. So thank you and good morning.

3 CHAIRMAN THOMAS: Thank you, Representative Deasy.  
4 I'll keep you in the northwest delegation and not  
5 just put you here in Erie County. Erie is well  
6 represented.

7 A couple questions that I have. Number one:  
8 Have you communicated your concerns to the  
9 Secretary of General Services?

10 MS. GREEN: No, I have not.

11 CHAIRMAN THOMAS: Secretary Creedon.

12 MS. GREEN: No, I have not.

13 CHAIRMAN THOMAS: Have you communicated your  
14 concerns to the Government's Oversight Committee?

15 MS. GREEN: No, I have not.

16 CHAIRMAN THOMAS: Okay. I would suggest that  
17 along with this committee, connected with  
18 Pennsylvania's Congressional delegation, I would  
19 also ask that you send your concerns to Secretary  
20 Creedon and to the Oversight Committee. And then  
21 as a committee, we can -- we can follow up.

22 My second concern that I raise is -- I raised  
23 it at our last hearing in Indiana County, and I  
24 want to raise it here this morning.

25 Pennsylvania is on schedule to receive, I

1           guess, about 3-, 400 million in broadband  
2           technology. And without a dissertation on  
3           broadband technology, what it has the capacity to  
4           do is to provide that last mile connection for  
5           many of our communities, especially rural  
6           communities, where people have been pretty much  
7           locked out.

8           So to that end, has the City of Erie or has  
9           the northwest delegation, to the best of your  
10          knowledge, submitted an application for funding --  
11          MS. GREEN: For broadband? My understanding is --  
12          we wouldn't necessarily need that in the City of  
13          Erie, because we are, thankfully, very connected,  
14          but there are many areas in rural Erie County that  
15          are unable to get anything other than dial-up  
16          Internet service.

17          My understanding is that the Northwest  
18          Commission, which is our LDD for this area, has,  
19          in fact, submitted an application. And I think  
20          the Erie Technology Council may have also  
21          submitted an application for that. But as far as  
22          I know, they have not heard back yet if they will  
23          be funded.

24          CHAIRMAN THOMAS: Okay. What we can do -- what  
25          the Committee can do through the delegation --

1           because -- and we find that most communities was  
2           not aware of this. And that is, that all  
3           applications were required to go into the National  
4           Telecommunications Information Center at  
5           Washington. What people did not know is that all  
6           of those applications, once in, was bundled and  
7           sent back to Pennsylvania. Pennsylvania then has  
8           the responsibility of deciding on what is the  
9           priority; what communities will benefit first from  
10          the broadband technology investment.

11                   I do know that the northwest is a critical  
12          part of the Commonwealth's priority. On broadband  
13          technology applications targeted for Northwest  
14          Pennsylvania, we'll probably get the highest  
15          priority --

16          MS. GREEN: That's great.

17          CHAIRMAN THOMAS: -- before other sections of the  
18          Commonwealth. So includes your delegation  
19          members. We will get you a copy of all the  
20          applications that's out there, how those  
21          applications -- how they lined up, and when you  
22          can expect the first real work around these  
23          broadband technology dollars. And all members of  
24          the Committee, I think, are concerned about this  
25          issue, because at one time we thought it was going

1 to be 751 million, but now it's down to around  
2 300 million. But we found that Scranton and in  
3 Indiana County, I mean, very few people was aware  
4 of that.

5 So through your delegation members, we will  
6 make sure that you get that.

7 MS. GREEN: Thank you. Appreciate that.

8 CHAIRMAN THOMAS: Any other questions from  
9 members?

10 (No response.)

11 CHAIRMAN THOMAS: Hearing none, we will thank you  
12 and move to our next guest, which -- we have the  
13 engineer from the City of Erie, Mr. Jon Tushak.

14 Good morning.

15 MR. TUSHAK: Good morning. The City of Erie,  
16 Bureau of Engineering has been participating in  
17 three ARRA-funded projects at various stages of  
18 development, ranging from strategy development to  
19 substantial completion.

20 Parade Street Phase II was funded at \$800,000  
21 and is a transportation enhancement project funded  
22 through PennDOT. The Bureau of Engineering  
23 provided design and inspection services. The  
24 project included concrete curb and sidewalk, curb  
25 ramps, asphalt paving, bulbouts, crosswalks,



1 drainage, tree planting, trash receptacles, and  
2 benches and traffic signals. The project was an  
3 extension of Parade Street Phase I, which  
4 pre-dated ARRA. That project was funded at about  
5 \$2 million, which also included pedestrian  
6 lighting in addition to a similar scope. Both  
7 projects are now substantially complete.

8 A goal for both projects was to provide  
9 infrastructure improvements to encourage growth,  
10 redevelopment, and economic development in a  
11 commercial corridor in need of revitalization.  
12 There has been positive feedback from property  
13 owners who are pleased with the project and hope  
14 to reinvest in the area.

15 State Street Enhancement, funded at about  
16 \$1.1 million, is similar in scope to Parade  
17 Street. The project includes concrete curb and  
18 sidewalk, curb ramps, asphalt paving, bulbouts,  
19 crosswalks, boulevards, drainage, tree planting  
20 and landscaping, and lighting for the street and  
21 the pedestrians. A goal for this project is to  
22 provide a gateway to Presque Isle Bay and access  
23 to recent development of the convention center and  
24 the Sheraton Hotel and future waterfront  
25 development.

1           The project design was completed by the  
2 Bureau of Engineering and Dahlkemper Landscape  
3 Architects. The project was funded, as well as  
4 let through PennDOT with ARRA funds and  
5 supplemented with \$200,000 from the Erie Western  
6 Pennsylvania Port Authority through a grant from  
7 Pennsylvania DCED. The contract has been awarded,  
8 and construction is scheduled to begin in the  
9 spring of 2010 and be completed by fall of 2010.

10           The Energy Efficiency and Conservation Block  
11 Grant was a formula grant for about -- well,  
12 \$1,031,500 received from the U.S. Department of  
13 Energy. The City of Erie recently executed an  
14 Assistance Agreement for the EECBG. The Bureau of  
15 Engineering, along with CLT, an Energy Services  
16 Company, is developing an energy efficiency and  
17 conservation strategy for submittal by  
18 December 28th of 2009.

19           The Bureau of Engineering and CLT had  
20 previously performed a guaranteed energy savings  
21 contract pre-dating the ARRA under Act 57,  
22 Pennsylvania Act 57, which included lighting, HVAC  
23 system improvements, and LED traffic signals. The  
24 project resulted in a successful payback period  
25 generating over \$200,000 in savings per year.

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The City plans to perform a Phase II guaranteed energy savings project using the EECBG funds under Act 77 to guarantee savings generated by stimulus funding and to achieve optimal and sustainable energy savings. The proposed strategy for the project will include a combination of building HVAC systems improvements, insulation, roofing, doors, windows on public buildings, and energy efficient street lighting.

Then I have a few additional comments here. The City of Erie recognizes the need for funding at the State level for State roads and bridges, but it appears that about 90 to 95 percent of the ARRA transportation dollars in District 1 went directly to State projects, leaving a small portion of funds available for municipal projects, such as local roads.

The City of Erie also recognizes the benefits of paving State highways within City limits, but the City of Erie and other municipalities struggle to find upgrades and maintenance funds -- struggle -- struggle to fund, I'm sorry, upgrades and maintenance to local roads and would appreciate future consideration regarding possible direct funding to municipalities for these

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purposes. Our transportation infrastructure needs are tremendous.

The current system of application and reporting, although at times confusing and challenging, has been workable. Some of the information requested and forms provided have been unclear, but I was able to find help rather quickly when necessary.

I have registered on and must monitor many websites for the various projects. One central website for all projects and agencies, although maybe not possible, would -- may be more desirable.

The Bureau of Engineering has worked diligently to develop and deliver projects quickly to meet the goals of ARRA funding. The Bureau of Engineering has been able to meet published deadlines in certain cases where others have not, and extensions were granted. The jobs created and retained by these projects have been short-term, well-paying construction jobs, but the projects will promote private redevelopment and will result in sustainable energy efficiency and conservation.

Thank you.

CHAIRMAN THOMAS: Thank you, sir.

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Representative Fabrizio?

REPRESENTATIVE FABRIZIO: No questions,  
Mr. Chairman.

CHAIRMAN THOMAS: Representative Costa.

REPRESENTATIVE COSTA: Thank you, Mr. Chairman.

Jon, you were saying that a lot of this --  
95 percent of this money went to the State. Do  
you find that there was obstacles set up as far as  
being shovel-ready projects? I mean, where was  
the biggest problem with that?

MR. TUSHAK: I'm not going to say there were  
problems. I think just the way the money was --  
was divvied up, with -- most of it went to the  
State. But we had Parade Street Phase II  
shovel-ready at the time, and they funded it. But  
our local roads are in very poor condition, and we  
could just use some more help on the local roads.

REPRESENTATIVE COSTA: Okay. So, in other words,  
it really wasn't something in the system. It was  
just the way the money was distributed.

MR. TUSHAK: The way it was distributed.

REPRESENTATIVE COSTA: All right, thank you.

Thank you, Mr. Chairman.

CHAIRMAN THOMAS: Thank you. Representative  
Deasy.

1 REPRESENTATIVE DEASY: Just a quick comment as  
2 regarding the other hearing in Indiana County.  
3 I'm sure the Chairman can attest to this. We  
4 heard the same thing from local municipalities,  
5 about the lack of funding for streets and local  
6 repairs. So we do need to work with our  
7 committee; maybe have conversations with the  
8 Transportation Committee and find out if we can  
9 find some State funding to help these local  
10 municipalities through these tough times.  
11 Because, as you know, the years go by, and we  
12 don't make that investment in the local roadways,  
13 down the road, the cost is just going to get  
14 higher, and if we don't keep them on schedule,  
15 it's just going to be more costly.

16 MR. TUSHAK: That's right. The more deteriorated  
17 they become, the more costly they are to repair  
18 all those geometrically. Once you lose the road,  
19 it's gone.

20 REPRESENTATIVE DEASY: Absolutely. Absolutely.  
21 Thank you for your testimony. And, as I said, we  
22 heard the same thing in Indiana County.

23 So thank you, Mr. Chairman.

24 CHAIRMAN THOMAS: Thank you.

25 Representative Longietti.

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REPRESENTATIVE LONGIETTI: Thank you,  
Mr. Chairman.

Just to follow up on that point a little bit more, as I understood it, I think what you experienced here in Erie County was experienced, as Representative Deasy said, in other counties, with where the money went for road projects.

But as I understand it, there was nothing in the Recovery Act that stated that the money has to go to State roads or only a small portion goes to local roads. I'm just trying to understand it better.

I know in my county, what happened, it went through the MPO process, the Metropolitan Planning Organization, and the people that actually sit on the MPO are, by and large, local officials.

Do you know -- with that being the case, do you know why the local road projects did not percolate up through the MPO system? Was it because they just weren't on the transportation improvement project list to begin with, so that you couldn't get them ready in time, or was it some other reason? Can you shed any light on that?

MR. TUSHAK: I just don't think the local roads

1 are part of the MPO process. We have asked for --  
2 if there was any funding available anywhere, and  
3 we were just told that local roads don't qualify  
4 for State money. Unless they're on some sort of  
5 Federal -- some sort of -- local road on some sort  
6 of Federal list, and we don't have any, so we  
7 didn't get any funding.

8 REPRESENTATIVE LONGIETTI: So it sounds to me like  
9 part of what happened was that the identification  
10 of projects was directed to go through the MPO's,  
11 but the MPO's, by and large, typically only put  
12 State road projects on the transportation  
13 improvement list, because the State doesn't fund  
14 local roads, and the MPO's are used more typically  
15 to identify the State road projects in counties.

16 So it almost sounds like what needed to  
17 happen was that there needed to be an  
18 identification of road projects for the Recovery  
19 Act through some other organization or some other  
20 process, or at least some of that should have been  
21 dedicated to some other process so that local  
22 roads can have a shot of getting some of that  
23 money. Is that kind of what --

24 MR. TUSHAK: Yes. We have been fortunate to  
25 receive a few projects funded through the



1 transportation enhancement line item at the MPO,  
2 and we've also been fortunate to receive funding  
3 for two local bridges. There's a local bridge  
4 line item and the transportation enhancement line  
5 item.

6 And other than that, while there's -- I think  
7 there's some Safe Routes to School money -- we did  
8 a project a few years ago. So there are  
9 mechanisms to get some local roads done if they  
10 fit certain criteria. But just in general, if  
11 some of our more heavily traveled high ADT local  
12 roads don't fit into one of those categories,  
13 we're on our own, and that's where some stimulus  
14 money might be helpful.

15 REPRESENTATIVE LONGIETTI: So it sounds like the  
16 bottom line was that the MPO might not have been  
17 the best exclusive organization to identify the  
18 road and bridge projects to be funded through the  
19 Recovery Act.

20 MR. TUSHAK: Or distribution of funding at the  
21 MPO. There could be maybe created another line  
22 item for local road projects or this pavings --  
23 milling-and-paving-type work.

24 REPRESENTATIVE LONGIETTI: Thank you,  
25 Mr. Chairman.

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CHAIRMAN THOMAS: Thank you.

Representative Hornaman?

REPRESENTATIVE HORNAMAN: Well, just a thank you for bringing up that subject. Having Franklin, McKean, and Waterford Townships in my district, and the lack of funding that they received for -- for local roads, I'm going to start paying more attention to those MPO meetings and the need to perhaps change the structure or look more closely at that line item. So thanks for bringing that up, Jon.

MR. TUSHAK: Thank you.

CHAIRMAN THOMAS: Thank you. Chairman Sainato?

REPRESENTATIVE SAINATO: Thank you. Thank you for your testimony. It was very enlightening. And I think that we need to know where the monies go and where the needs are, and we appreciate you coming today.

MR. TUSHAK: Thanks.

CHAIRMAN THOMAS: Thank you.

I just have a couple questions. One, are you the brain person in Erie for interacting with the Federal and State agencies?

MR. TUSHAK: As far as transportation needs, yes, I -- I am the point of contact -- well, for the

1 Department of Energy and a few others. But I --  
2 maybe Miss Green on a few of them.

3 CHAIRMAN THOMAS: Okay. Have you interacted with  
4 the Government's Oversight Committee?

5 MR. TUSHAK: No, I have not.

6 CHAIRMAN THOMAS: Have you interacted with  
7 Secretary James Creedon?

8 MR. TUSHAK: No, I have not.

9 CHAIRMAN THOMAS: Have you had any difficulties,  
10 experienced any difficulties with stimulus money  
11 reporting?

12 MR. TUSHAK: Not to date. I testified that I'm on  
13 several different websites and billing out reports  
14 on several different websites, and some of them  
15 aren't crystal clear. But there's a learning  
16 curve, I imagine, and it's been workable; I've  
17 been able to get through it.

18 CHAIRMAN THOMAS: Okay. My next question will be:  
19 On the infrastructure and energy side, would you  
20 say that stimulus dollars has been used more for  
21 job retention rather than job creation?

22 MR. TUSHAK: Those -- I've experienced with the  
23 previous energy savings contract, and those --  
24 that project went rather quickly, so there were --  
25 there were some short-term jobs, and then they go

1 on to the next project. But I think where --  
2 those energy projects are a real banger for the  
3 sustainability of the energy savings. So we're  
4 making the infrastructure improvements now, to  
5 save dollars down the road. So it's not so much  
6 jobs, more as energy savings.

7 CHAIRMAN THOMAS: Okay. Is the money going back  
8 into the local economy?

9 MR. TUSHAK: Yes. Well, as far as the contractors  
10 getting -- getting the work to do the projects,  
11 and then end users spending less money for energy.

12 CHAIRMAN THOMAS: Okay. In closing, what's the  
13 one recommendation that you would say to the  
14 Committee that we need to do to improve, one,  
15 access, and, two, outcome of stimulus dollars?

16 MR. TUSHAK: That's a tough one. I think just  
17 everything I covered. But I don't have any -- any  
18 real earth-shattering comments.

19 CHAIRMAN THOMAS: Okay. Because you know in a  
20 couple months, we'll be right back into this.  
21 We'll be looking at a budget for 2010/2011, and  
22 there will be a sizable amount of stimulus dollars  
23 included. And the United States Department of  
24 Commerce has awarded a substantial contract to an  
25 organization called the West Philadelphia

1 Enterprise Center, and their responsibility with  
2 respect to the stimulus dollars is to make some  
3 determination of how many women and -- women-owned  
4 and disadvantaged businesses has been able to  
5 benefit from stimulus funding.

6 Do you have any idea of whether the small  
7 business community of Erie has benefited from --  
8 MR. TUSHAK: Well, I know our contract  
9 requirements require up to 15 percent of minority  
10 business participation and women business  
11 participation. So the work we've done, minorities  
12 and women have benefited on those projects.

13 CHAIRMAN THOMAS: Okay. All right. Thank you.

14 MR. TUSHAK: I guess I would say that as far as  
15 what we like to see is the local road paving  
16 money. If we could find another funding source  
17 for that.

18 CHAIRMAN THOMAS: Okay. All right. Any other  
19 questions or comments?

20 (No response.)

21 CHAIRMAN THOMAS: If not, thank you, sir.

22 MR. TUSHAK: Thanks.

23 CHAIRMAN THOMAS: Next is the -- Mr. Franklin,  
24 Stephen Franklin. Mr. Franklin, who is Chief of  
25 the Erie Police Department. Glad to have you.

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CHIEF FRANKLIN: Thank you.

CHAIRMAN THOMAS: And I know one of the things you will be talking about is the COPS funding.

CHIEF FRANKLIN: Yes, sir, that's correct. Okay.

Good morning. First of all, I would like to thank you for the opportunity to come here, and spend a few minutes talking about the two bulleted points that I have there; one being the COPS hiring grant, which allows us to hire six additional police officers in the City of Erie, and the JAG grant, which allowed us to purchase some equipment.

First of all, the Erie Police Department is the primary law enforcement agency responsible for the safety and security of City of Erie's residents and everyone who comes to visit, work, employed here. With its 18 squares miles of area and approximate population of 103,000 people, that keeps us very busy on a daily basis.

We are currently budgeted in the Erie Police Department at 162 officers, and that is in addition to five additional officers, full-time officers, who were hired through a Police on Patrol grant from the Pennsylvania Commission on Crime and Delinquency. So that gives us a total

1 of 167 full-time, sworn officers at this time.

2 Historically speaking, we were operating in  
3 the area of 209 officers up until as recent as  
4 2004, with a couple factors that led to the  
5 deterioration of that complement; one being the  
6 Deferred Retirement Option Program, which led to a  
7 number of officers retiring early, and the  
8 economic times. We have been reduced to this 162  
9 plus five complement now.

10 As a result of that, it keeps our officers  
11 pretty busy. We're handling approximately 60- to  
12 70,000 calls for service per year here in the City  
13 of Erie. So the officers are continuously  
14 providing services to the community.

15 The department was put into a position of  
16 reducing operational levels over the last several  
17 years and realigning the officers themselves, as  
18 well as services in several areas. At one time we  
19 had three divisions within the Erie Police  
20 Department; a patrol division, a criminal  
21 investigation division, and the support division.  
22 As a result of the economic times and this DROP  
23 program, we were forced to realign the police  
24 department and brought it down to two divisions.  
25 And, in many cases, a lot of services that were

1 provided by the officers who are no longer here  
2 are now funneled into, you know, the roles of the  
3 police officers who remain, so that makes them  
4 very busy.

5 As an example, we had 12 motorcycle officers  
6 at one time for traffic enforcement. That has  
7 been reduced to eight, so that's a 32 percent  
8 reduction there. At one time we had 34 detectives  
9 working in our CID unit. It's been reduced to  
10 about 20 now. So this has led to a shift in the  
11 manpower to get more officers back into uniform,  
12 back into patrol to respond to the calls for  
13 service. So, you know, credit should be given to  
14 the officers that are here now, you know, for all  
15 of the work they're doing.

16 As a result of the COPS hiring grant, we're  
17 going to be able to hire six additional police  
18 officers, full-time police officers. Rather than  
19 split those officers up on different shifts, we're  
20 going to use them as a crime prevention unit, the  
21 user name TAC, and address some of the concerns,  
22 the quality issue concerns, as well as, you know,  
23 emerging crime patterns, and they're going to be  
24 able to have more impact in that type of response,  
25 than as opposed to calls for service. Right now



1           our officers are constantly being pulled away from  
2           proactive patrol and into a reactive state,  
3           responding to calls for service, and, as such, we  
4           can't address some of the other concerns out  
5           there.

6           With the additional hiring of six additional  
7           police officers and using them in the role of a  
8           crime prevention unit, we're going to be able to  
9           respond directly to some of these criminal  
10          patterns and the quality of life issues, where  
11          otherwise they would be used for calls for  
12          service.

13          So, you know, this \$1,563,000 that we  
14          received through the COPS hiring grant for three  
15          years, we're going to definitely apply those  
16          dollars to good use.

17          The second funding source we have here, the  
18          JAG Recovery Act funds, we are able to purchase  
19          several vehicles that are going to be used,  
20          SUV-type vehicles for the climate here in Erie.

21          Most importantly, the two notable items under  
22          that are the AFIX fingerprinting system. A brief  
23          explanation of that is that prior to getting this  
24          machine, this system, sometimes we would have to  
25          wait anywhere from a month to three months to

1 identify a fingerprint lifted at a crime scene and  
2 get it back where we could obtain a warrant and go  
3 after the criminal who committed that crime.

4 The AFIX machine now, which is Automated  
5 Fingerprint Identification System, we're now going  
6 to be able to do that in a matter of days and  
7 sometimes even hours, so that now we can make a  
8 quicker arrest of this person and keep them in  
9 custody and put them in incarceration so they  
10 can't continue to commit crimes over that period,  
11 as they were before.

12 The other items, the video recording system  
13 for our criminal investigation division, until  
14 recently, we were still operating off of a VHS  
15 system. As we all know, VHS has now -- you know,  
16 it's gone the way of the eight track, so to speak.  
17 And it's going to allow us to update and improve  
18 our system for reporting up there. So it's been  
19 very beneficial to the Erie Police Department.

20 And, again, on behalf of the police  
21 department, I would like to thank you for, you  
22 know, making these funds available for us.

23 CHAIRMAN THOMAS: Thank you. Chairman Sainato?

24 REPRESENTATIVE SAINATO: I have no questions.

25 CHAIRMAN THOMAS: Thank you.

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Representative Hornaman?

REPRESENTATIVE HORNAMAN: Not at this time.

CHAIRMAN THOMAS: Representative Longietti?

REPRESENTATIVE LONGIETTI: I don't have any questions. Thank you.

CHAIRMAN THOMAS: Representative Deasy?

REPRESENTATIVE DEASY: Not at this time. Thank you.

CHAIRMAN THOMAS: Representative Costa?

REPRESENTATIVE COSTA: Yes. Chief, as a former Chief of Police in the City of Pittsburgh, I commend you for your -- what you're doing, especially with what you just told us about your resources. You lost 20 percent of your officers over a period of time.

I guess one of the questions that I have for you is you said you had five from one grant, and you're going to get six from the stimulus.

CHIEF FRANKLIN: That's correct.

CHAIRMAN THOMAS: Are they long term, or are they dropping off in three years, and you're going to have to pick up the funding for them?

CHIEF FRANKLIN: No, they are funded through the grant for the initial three-year period, and then we will be required to fund them for an additional

1 two years. That gives us an opportunity,  
2 city-wise, to plan for the financing of those  
3 officers.

4 REPRESENTATIVE COSTA: Okay. I assume you're  
5 getting cooperation from the Attorney General,  
6 different investigations -- I hope they are,  
7 anyway.

8 CHIEF FRANKLIN: Yes. We have a very good working  
9 relationship with all law enforcement agencies in  
10 the area.

11 REPRESENTATIVE COSTA: How about camera systems?  
12 Do you have camera systems -- do you have them on  
13 hand, like -- which would help target, like, areas  
14 where your high crime is at?

15 CHIEF FRANKLIN: We do not have camera systems  
16 right now due to the cost of installing those  
17 systems, but we are looking into the technology  
18 where we might be able to use a mobile camera  
19 system. So rather than have them spend money on  
20 fixed camera systems in place, we could use a  
21 mobile system and move it, you know, as the  
22 crime --

23 REPRESENTATIVE COSTA: As needed. Okay, Chief.  
24 Thank you. And I commend you and your officers  
25 for, especially with the cuts that you've got, for

1                   doing what you did. Thank you, sir.

2                   CHAIRMAN THOMAS: Thank you. Representative  
3                   Fabrizio.

4                   REPRESENTATIVE FABRIZIO: Nothing, Mr. Chairman.  
5                   Thank you.

6                   CHAIRMAN THOMAS: Thank you. I just have one  
7                   question, and this question can be answered by any  
8                   one of you.

9                   In your package, you should have a sheet  
10                  called Stimulus Funds, Distribution in  
11                  Pennsylvania by County. And there's one column  
12                  that talks about funds received, direct funds  
13                  received, versus an estimate of how much stimulus  
14                  money you will be receiving across the board.

15                 And so to that end, this sheet -- and we did  
16                 not put this together. Our research people in  
17                 Harrisburg put this together. It indicates that  
18                 Erie has received a 44.2 million so far. Is that  
19                 correct?

20                 CHIEF FRANKLIN: I can't answer that for you right  
21                 now, sir.

22                 CHAIRMAN THOMAS: Okay. And it says that from all  
23                 sources, Erie will be receiving 88.5 million.

24                 MS. GREEN: I think that that -- Chairman Thomas,  
25                 I think that's a Countywide number. So the City

1 would not really know what that full County number  
2 is. We pretty much pay attention to the City.  
3 And everything that you heard today is all that  
4 the City of Erie has gotten from ARRA. We have  
5 not neglected to mention anything.

6 CHAIRMAN THOMAS: Okay. So you have County  
7 Commissioners here in the County --

8 MS. GREEN: We have a County Executive. We're  
9 Home Rule.

10 CHAIRMAN THOMAS: Okay. Do you interact with that  
11 County Exec. on stimulus dollars?

12 CHIEF FRANKLIN: Yes. As a matter of fact, if you  
13 look at the second one, the JAG Recovery Act, that  
14 was a shared grant that we shared with the  
15 Millcreek Police Department, as well as the Corry  
16 Police Department, and the Erie County D.A.'s  
17 Office. So when we applied for that grant, we  
18 took -- we piggybacked other agencies and brought  
19 them all in line for that grant, and they all  
20 benefited from that grant, as well as the City of  
21 Erie.

22 CHAIRMAN THOMAS: Okay. We wanted to ask that,  
23 because this has become public information. You  
24 should at least be aware of what State Government  
25 is saying that Erie County has received, which

1 Erie City has benefited somewhat. So I at  
2 least -- you know, for people who have packages,  
3 you can -- you should have that breakdown in your  
4 package.

5 CHIEF FRANKLIN: I'll make a note of that, and  
6 we'll get some figures.

7 CHAIRMAN THOMAS: Okay. Thank you.

8 CHIEF FRANKLIN: Thank you.

9 CHAIRMAN THOMAS: Any recommendation you'd like to  
10 leave us with?

11 CHIEF FRANKLIN: Other than what I was talking  
12 about here, we're continuing to look at emerging  
13 technology. Obviously, that's going to be very  
14 beneficial in the way of crime fighting. So as  
15 one of our other reps brought up, technology can  
16 replace the lack of police officers to the point  
17 where it will be very beneficial.

18 CHAIRMAN THOMAS: One last question. Your ARRA  
19 dollars, do they come from the State, or came  
20 directly from Washington?

21 CHIEF FRANKLIN: Those -- I'm sorry, which  
22 dollars, sir?

23 CHAIRMAN THOMAS: The stimulus money that you  
24 received. Did that come from the State, or did it  
25 come directly --

1 CHIEF FRANKLIN: I believe that came from the  
2 State level.

3 CHAIRMAN THOMAS: Okay. Have you been in touch  
4 with the Justice Department in terms of -- because  
5 I think there's about six or seven different  
6 categories of funding that municipalities and  
7 governments can apply.

8 CHIEF FRANKLIN: Yes.

9 CHAIRMAN THOMAS: Okay. So you are in touch  
10 with --

11 CHIEF FRANKLIN: Yes, we are.

12 CHAIRMAN THOMAS: Okay. Thank you.

13 Next we are going to -- Venango County is  
14 next on our list. But we have been joined by a  
15 distinguished member of the Erie City Council.  
16 And I dare not go any further without  
17 acknowledging her and asking her if she would come  
18 forward. I don't want her to go back and tell the  
19 president of the City Council that we came in here  
20 and sat in his chair and didn't even acknowledge  
21 that City Council was in the room.

22 The Honorable Rubye Husband.

23 MS. JENKINS-HUSBAND: Thank you.

24 CHAIRMAN THOMAS: Erie City Council.

25 MS. JENKINS-HUSBAND: Good morning. And to the



1 Majority Chair, Mr. Thomas, and all of the House  
2 of Representatives here today, including our  
3 distinguished members and representatives from the  
4 Erie community, we appreciate all you being here,  
5 and, more importantly, for the opportunity to  
6 speak to you today and to dialogue on the American  
7 Recovery Reinvestment Act of 2009.

8 I am Councilwoman Rubye Jenkins-Husband. And  
9 on City Council we represent at large a  
10 representative population.

11 The United States Census Bureau recently  
12 reported that the City of Erie had the highest  
13 poverty rate of any major city in Pennsylvania.  
14 Our community is in critical need of Federal  
15 stimulus money for jobs, for our youth employment,  
16 for those who are underemployed. And we have so  
17 many families who are out here working two jobs  
18 just to meet the needs of their household. They  
19 are also persons who are laid off. Unfortunately,  
20 we have experienced major layoffs from plants here  
21 in our community. And those persons who are laid  
22 off are looking for retraining job opportunities,  
23 they are looking for opportunities to make sure  
24 that they have monies to take care of their  
25 families and their household. And we have

1 individuals living far below the poverty level who  
2 needs to be trained and educated for job  
3 opportunities.

4 In the Census Bureau figures they have  
5 released and reported shows that white children in  
6 Erie were 17.1 percent below the poverty level,  
7 black children, 47.9 percent under poverty level,  
8 and Hispanic children, 46.5.

9 I would think when these stimulus monies were  
10 allocated and thought about, that its purpose was  
11 to help restore employment opportunities, job  
12 opportunities, economic opportunities, and, most  
13 importantly, sustainable jobs so that people, too,  
14 can recover during these economic times. And that  
15 having -- talking with my constituents when I'm  
16 out in the community and those who come here  
17 before this microphone at City Council meetings, I  
18 hear constantly about why are we left out.  
19 They're left out of jobs for youth, jobs for  
20 minority hiring, and jobs for those persons who  
21 need help in being retrained for other jobs.

22 So my testimony before you today and my  
23 statement before you is a reflection of what the  
24 needs are in our community, to say to you, as  
25 Representatives, that I hope that when any

1            recommendations come from here, in Erie and this  
2            City, that it will include the voices of people  
3            who really feel they have not been heard, but that  
4            I'm representing. I thank you.

5            CHAIRMAN THOMAS: Thank you for your testimony.  
6            And I would ask if there's any way possible -- you  
7            might want to reach out to Della Clark, who is  
8            head of the West Philadelphia Enterprise Center,  
9            who I know is coming to Erie very shortly, to talk  
10           about the jobs and talk about economic impact on  
11           minority and women-owned businesses in the City of  
12           Erie.

13           MS. JENKINS-HUSBAND: Thank you.

14           CHAIRMAN THOMAS: Okay. I can have our executive  
15           director get that information to you.

16                      One of our first hearings was scheduled in  
17                      Southeastern Pennsylvania. We were going to  
18                      Montgomery County. Because, you know, something  
19                      came up where we couldn't -- could not hold the  
20                      hearing in Montgomery County. Miss Custis  
21                      reminded me it was the budget impasse.

22                      But what happened was the City Council in  
23                      Philadelphia heard about it and held their own  
24                      hearing and realized that there were things that  
25                      they should have been doing with respect to

1 stimulus dollars that was -- just went untendered.  
2 And so they have lost out on a good portion of  
3 stimulus funding because of these time tables and  
4 the inability to stay on top of them.

5 So I'm saying that to say at some point maybe  
6 City Council from Erie might want to take a look  
7 at all this.

8 Thank you.

9 MS. JENKINS-HUSBAND: Thank you.

10 CHAIRMAN THOMAS: Any other questions, comments,  
11 for Miss Husband?

12 (No response.)

13 CHAIRMAN THOMAS: If not, again, thank you.

14 Okay. We're going to move to Venango County  
15 at this point, and we're going to start with the  
16 Honorable Sonja L. Hawkins, who is the Mayor of  
17 Oil City. Mayor Hawkins, good morning.

18 MS. WENNER: Good morning. I am actually Karen  
19 Wenner. I'm the Shared Municipal Services Planner  
20 for Venango County. The Honorable Mayor Hawkins  
21 is with me today, as well as Executive Director  
22 Judy Downs from Venango Planning.

23 CHAIRMAN THOMAS: Stand up. Let me see you. Good  
24 morning.

25 MS. WENNER: I will be speaking on behalf of

1 everyone today. They will be here to help me,  
2 assist me with any questions you may have. And I  
3 do apologize for the Oil City Mayor [sic], Ryan  
4 Eggleston. He is sick and unable to attend today.

5 Again, as I previously stated, I thank you  
6 for the opportunity to present before the  
7 Committee. My name is Karen Wenner. I'm the  
8 Shared Municipal Services Planner for the Venango  
9 County Regional Planning Commission.

10 Venango County is located in Western  
11 Pennsylvania, approximately halfway between  
12 Pittsburgh and Erie. The County encompasses  
13 675 square miles and includes the City of Oil City  
14 and the City of Franklin, nine boroughs, and 20  
15 townships. Venango County is classified as a  
16 sixth class county and is ranked 42nd in the state  
17 of 67 counties, with a population of 57,000.

18 The County seat is located in the City of  
19 Franklin and was established in 1800. Our public  
20 transportation facilities include air passenger  
21 services to the International -- Cleveland  
22 International Hopkins Airport from Venango County  
23 Regional Airport, with service provided by  
24 Gulfstream International Airlines. Also, Venango  
25 County Transportation Office offers a fixed route

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transportation service within the County via the VenanGO Bus. The County is bordered on the south by Interstate 80, running east and west, and on the west by Interstate 79, running north and south.

Venango County, like most other counties in the state, has been hit hard during economic downturn. According to Pennsylvania Department of Labor and Industry as of September of 2009, Venango County has an unemployment rate of 9.8, while Pennsylvania has an unemployment rate overall of 8.3, according to the same statistical information. Additional information derived by the Pennsylvania Labor and Industry states that the median household income for Venango County is 34,403, while the state's is 46,300.

And just a little bit of background about our communities. In the early 1980's, Oil City lost its largest employer, Oil Well, which typically employed over 1,000 employees. Nearby communities were also hit hard with the same type of situation. For example, the City of Titusville, located 14 miles north, was also hit hard with the loss of its larger employer, Cyclops, with 700 employees.

1           In 1990's, the headquarters of Quaker State,  
2           which was also located in downtown Oil City,  
3           closed its doors and moved to Texas. At this time  
4           many people felt that they had no choice but to  
5           move to Texas if they were given the opportunity  
6           to keep their job with Quaker State. Hundreds of  
7           other employees of Quaker State simply lost their  
8           jobs.

9           In 1999, Pennzoil announced the closing of  
10          its refinery and headquarters located in  
11          Rouseville, only three miles north of Oil City,  
12          and it relocated its headquarters again to Texas.  
13          Pennzoil employed over 700 employees.

14          Families left the area to find employment,  
15          leaving behind a large amount of houses that were  
16          now left on the real estate market. With this  
17          large influx of housing in the market and few  
18          people to buy them, many stayed on the market for  
19          months, some even years, only to be eventually  
20          bought for rental. Many landlords have not kept  
21          up the houses, leaving the homes to come into  
22          disrepair, subsequently becoming condemned.

23          In addition to the large amount of housing on  
24          the market due to an exodus of the area, many --  
25          many who did stay in the area are now baby boomers

1 or older senior citizens and can no longer keep up  
2 their homes. In the past 10 years, three housing  
3 complexes alone in Oil City have been built. Two  
4 house only senior citizens, while the third  
5 primarily houses senior citizen residents. This  
6 accounts for over 100 housing units -- homes to be  
7 left vacant and, again, to possibly be bought to  
8 be turned into rental units. This scenario  
9 accounted for a housing crisis in Venango County,  
10 which has lead to a housing market study which was  
11 completed in Venango County this year. The  
12 finding indicates that a decrease in population in  
13 Oil City and Franklin of 35 percent and 25 percent  
14 respectively and an overabundance of housing for  
15 those earning less than 50 percent of the area  
16 median income. This housing is not desirable to  
17 those with the average income in Venango County,  
18 and, therefore, has been left vacant and, again,  
19 eventually becomes a blighted issue.

20 Due to this fact, the County has applied for  
21 a Neighborhood Stabilization Program 2, otherwise  
22 known as NSP2, in an attempt to rectify the severe  
23 housing situation.

24 Now a little bit of background about the ARRA  
25 funding through Venango County.



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Currently, the County has received or anticipates receiving the following:

Venango County Regional Planning Commission has received an additional \$80,000 CDBG funding, or CDBG-R, as known through the ARRA; funding to be used towards our Two Mile Run County Park for handicap accessibility barriers.

The director of Venango County Office of Economic Opportunity stated that they have received a firm commitment on transportation funds in the amount of 200,000. She also stated the weatherization funding should be substantial, but they have not heard anything concrete or to confirm exactly what they are -- anticipate receiving.

The director of the Venango County Adult/Juvenile Court Supervision Services stated that through PCCD, they are currently developing a plan through the Pennsylvania Federal Recovery Act funds which will be awarded through their agency, but, again, no actual dollar amount and how the dollars will be spent.

Finally, through our social services departments in Venango County, our Early Head Start program has received a total Federal ARRA

1 funding in the amount of \$62,698. 31,349 will be  
2 used for education and increasing the  
3 qualifications of existing three key coordinators;  
4 an education coordinator, a mental health  
5 coordinator, and a health coordinator. Also,  
6 31,340 will be used for the quality improvement  
7 section, (5)(b), to hire an FTE as a data analyst  
8 coordinator. Along with the ARRA funding of  
9 62,689, there is COLA funding in the amount of  
10 37,962. This will be a total funding of the  
11 Federal projects, including COLA and ARRA, of  
12 100,651. That is through the County.

13 Within the County, there are four entitlement  
14 municipalities. They'll also be receiving  
15 additional GDBG funding through the ARRA. These  
16 are the City of Oil City, which is our largest  
17 municipality in Venango County, with a population  
18 of approximately 11,250. The CDBG-R funding they  
19 will receive will be in the amount of 93,960.  
20 This funding will enable paving to be done in the  
21 City, and it will be approximately nine city  
22 blocks for that.

23 The Oil City Housing Authority received an  
24 additional ARRA funding in the amount of 281,338.  
25 This funding will be used to upgrade -- upgrade

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the public housing facilities, along with additional safeguards, such as surveillance cameras.

The City of Oil City and the Franklin Housing Authority also anticipate receiving additional funding for projects. I know the City of Oil City is working currently with the Oil City Housing Authority through the Police Department to help with the surveillance of the cameras.

Cranberry Township received \$33,470 In CDBG-R funding. This will be used to provide handicap-accessible restrooms at their municipal park, Morrison Park. The Township will have to contribute \$9,000 of their own money towards this project. And in talking to Cranberry Township, the job creation they feel this will create is only three to four temporary jobs while the handicap-accessible restrooms are being built.

The City of Franklin, with a population of 7,212, received \$93,960 of CDBG-R, and this will be used to repave three segments of roads. Again, only a temporary job creation while the paving is being done.

Through Edward Byrne Justus Memorial Fund, they received \$10,750 for a police dispatch radio

1 console. They also received EECBG, which is the  
2 Energy Efficiency Conservation Block Grant. PA  
3 Conservation Works is the PA side of that  
4 stimulus. They will receive \$229,607 through the  
5 DEP to retrofit four municipal buildings; again,  
6 temporary job creation.

7 Sugarcreek Borough received \$33,740 CDBG-R  
8 funding. This funding has been programmed to go  
9 through the Rocky Grove Volunteer Fire Department  
10 for equipment projects.

11 Additionally, PennDOT received \$18 million  
12 projects for the four-county northwest RPO. The  
13 majority of the transportation funding is spent or  
14 will be encumbered. And we spoke earlier about  
15 the MPO. These projects did not go through the  
16 MPO.

17 And I apologize, but I have no educational  
18 stimulus ARRA funding, which evidently must be  
19 part of the \$8 million on that breakdown she spoke  
20 to in reference to the breakdown that you had just  
21 spoke to on the different counties; what they  
22 anticipate receiving or have received. Because,  
23 obviously, we don't come up with \$8 million. So  
24 we feel that's probably part of the education.

25 And while this funding is greatly anticipated

1 and appreciated, we are thankful for any money  
2 that we have received, and because of this  
3 funding, we are able to do additional projects in  
4 Venango County that we might not have been able to  
5 do. Our greatest hope is in anticipation of  
6 receiving ARRA funds of \$9.5 million through the  
7 NSP2 program. Should the County receive this  
8 funding, it will impact the County in the largest  
9 way I've ever seen in my lifetime.

10 The NSP2 designated are the three census  
11 tracts in Oil City and one census tract in the  
12 City of Franklin. This funding targets the  
13 demolition of 72 house structures, will eliminate  
14 blight, and the oversupply of housing in the  
15 targeted areas. The strategy will provide the  
16 structure -- elimination of blight, oversupply.  
17 It will provide significant rehab funding  
18 through -- to further arrest the blight conditions  
19 and improve the quality of housing. This includes  
20 the purchase, rehab, and sale of 25 properties to  
21 individuals and households at or below 50 percent  
22 AMI.

23 Last, the strategy implements a number of  
24 community building programs aimed at building  
25 capacity to ensure long-term sustainability and

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demolition and rehab investments.

The NSP2 dollars will create jobs, will have a significant positive benefit in the targeted areas in the overall region. This will enable the excess -- assessed values of our residential properties to be raised through the rehabilitation of the housing, and it will also increase the ability for another house to be sold in the same neighborhood; to be sold for a price slightly higher than originally could have been obtained.

As part of this program, we also will educate those in the targeted area and countywide on items such as home ownership, fiscal literacy, and property maintenance and management. Through the creation of a land bank, the County will be able to bring the strategies of the program into the other municipalities of the County.

While we have not seen a large share of the ARRA funding pass through our County and, therefore, it has not had a dramatic effect, such as true job creation or industrial growth, we are hopeful that the ARRA funding that has not been distributed will pass through the rural communities and the counties of our area. Because of the rural area, funding that does come through

1 the rural areas does have a dramatic effect. A  
2 community with only four square miles is better  
3 able to see an effect of a hundred thousand or  
4 even a million dollars than a community with a  
5 large metropolitan area.

6 Thank you, and we appreciate the time.

7 CHAIRMAN THOMAS: Thank you.

8 Representative Fabrizio?

9 REPRESENTATIVE FABRIZIO: No questions,  
10 Mr. Chairman. Thank you.

11 CHAIRMAN THOMAS: Representative Costa?

12 REPRESENTATIVE COSTA: No questions, Mr. Chairman.  
13 Thank you.

14 CHAIRMAN THOMAS: Representative Deasy?

15 REPRESENTATIVE DEASY: No questions, Mr. Chairman.  
16 Thank you.

17 CHAIRMAN THOMAS: Representative Longietti?

18 REPRESENTATIVE LONGIETTI: Just a couple comments.

19 I hope that you do get your NSP2 grant  
20 funding. It sounds like that will make a dramatic  
21 impact, as you stated.

22 And the little bit that I've read too,  
23 Youngstown, Ohio could be a model, even though  
24 it's a more metropolitan area. Mayor Terry  
25 Williams has looked at it and said -- kind of like

1           you -- the population has shrunk, we have a blight  
2           of housing. Instead of trying to necessarily get  
3           everyone to fix up their house, we're going to use  
4           the money to demolish and create green spaces and  
5           have a smaller city and more sustainable city. So  
6           I think your idea makes a lot of sense.

7           One observation. Obviously, we here at the  
8           State level didn't pass the Recovery Act and  
9           didn't write it. We're sort of involved on seeing  
10          how money is spent that is driven out by the Feds.  
11          But I noticed you mentioned a number of times  
12          temporary jobs and true job creation.

13          As I understand the theory of the Recovery  
14          Act, we are in this historic downturn, and so  
15          Government needs to intervene to try to rekick,  
16          restart the economy, and so there's an infusion of  
17          money to do things like stabilize neighborhoods,  
18          demolish homes, rehab homes, fix roads and  
19          bridges. And the idea is that they are temporary  
20          jobs. And then when the economy does -- hopefully  
21          within that period of time recovers, that infusion  
22          of capital, and people get a temporary job and  
23          they start to spend money, then the economy  
24          recovers and the economy takes over, so that it's  
25          not a permanent Government-funded job situation.



1                   So, I mean, that's my understanding of the  
2                   theory of it, is that the jobs probably are going  
3                   to be temporary, but hopefully they kickstart the  
4                   economy, and the economy takes over.

5                   Thank you, Mr. Chairman.

6                   CHAIRMAN THOMAS: Thank you. Representative  
7                   Hornaman?

8                   REPRESENTATIVE HORNAMAN: No comments, Mr.  
9                   Chairman.

10                  CHAIRMAN THOMAS: Mr. Chairman?

11                  REPRESENTATIVE SAINATO: No comments from the  
12                  Chair.

13                  CHAIRMAN THOMAS: Thank you. Excellent testimony.

14                  What recommendations would you leave with us?

15                  MS. WENNER: I guess one recommendation -- maybe  
16                  even a question; you could go back. One of the  
17                  things that we continually heard -- I'm sure  
18                  everyone else has heard, as you as well -- was it  
19                  was immediate job creation. It had to be  
20                  shovel-ready. So we tried to pull through the  
21                  County everything that was shovel-ready, with a  
22                  lot of the smaller municipalities. Obviously,  
23                  engineering, that would be required for something  
24                  that was shovel-ready. The municipalities just  
25                  didn't have the funding available to -- ahead of

1 time to do something like that. So,  
2 unfortunately, a lot of the municipalities that  
3 are struggling weren't able to show a lot of  
4 shovel-ready jobs or shovel-ready projects.

5 And, obviously, as you stated earlier, only a  
6 third of the money has been passed down. Now, if  
7 we would have known that we would have had a lot  
8 longer time -- and I know it is nothing that has  
9 to do with you, and I know the issue with the ARRA  
10 was to draw down quickly, and, unfortunately,  
11 there has been some issues. Maybe if something  
12 could come back out again on what is shovel-ready  
13 now or something for the next two-thirds, if we  
14 could anticipate something further with that.

15 Also, with the broadband, we did  
16 anticipate -- we did participate through the  
17 Northwest Commission on that for seven counties in  
18 the northwest. So hopefully that will create job  
19 creation in the future, whether it be industrial,  
20 if that is funded, because, as I'm sure a lot of  
21 rural areas, we -- there are still a lot of  
22 broad -- not broadband, but it is a lot of dial-up  
23 for slower services.

24 So I guess the broadband will be something  
25 that could really assist not only our county, but

1 a lot of the counties in Pennsylvania.

2 CHAIRMAN THOMAS: Thank you.

3 MS. WENNER: Thank you.

4 MAYOR HAWKINS: Mayor Hawkins from Oil City; our  
5 great little city that we have on the river, the  
6 Allegheny River.

7 We do appreciate this hearing. We're  
8 learning a lot. And as a smaller city,  
9 Mrs. Wenner was right on the mark when she said we  
10 really have a staff -- small staff to really get  
11 out a lot of these things, so our competition  
12 among the state is very difficult.

13 One of the things that we have talked about  
14 among some of the Mayors of smaller cities was  
15 that through the Community Development Block  
16 Programs, which is already set up, already a way  
17 of getting monies out, that it would be helpful to  
18 look at that process even larger. I know we got  
19 93,000. That equates to -- we're going to use  
20 that for paving. But that equates to nine blocks.  
21 When you put the -- factor in the accessible curb  
22 cuts, which is really mandatory federally, we --  
23 that puts us down to about three blocks. So we  
24 really -- it does make a big difference.

25 So if we could get more monies through the

1           Community Block Grants, that would help us move  
2           faster, with the caveat that we are using those  
3           for job creation as sustainability. Because what  
4           our small cities are, it is the fact of getting us  
5           jump-started so that we can sustain, as the  
6           gentleman talked about with Youngstown. That's  
7           the model we are going after. So thank you.  
8           CHAIRMAN THOMAS: Thank you. Any questions?  
9           (No response.)  
10          CHAIRMAN THOMAS: Okay, Mayor, thank you. Is  
11          Mr. Eggleston here? The City manager for Oil  
12          City.  
13          MAYOR HAWKINS: He was ill today.  
14          CHAIRMAN THOMAS: Okay. Well, we want to thank  
15          all of our guests from Oil City and Venango County  
16          for coming and providing excellent testimony.  
17                 Now we are moving to Mercer County. And  
18          would like to hear from Mr. Ammann, who is the  
19          Mercer County Commissioner.  
20          MR. AMMANN: Yes. Thank you, Mr. Chairman, and  
21          welcome to Western Pennsylvania. If you happen to  
22          be in Mercer County, stop at any time. Mercer is  
23          right between Erie and Pittsburgh.  
24          CHAIRMAN THOMAS: Thank you.  
25          MR. AMMANN: And I didn't -- I apologize for not

1           having a written testimony, and I'll keep my  
2           comments very short. I do have to leave for  
3           another meeting shortly, so I will keep it short.

4           A couple of things that I did want to  
5           mention, there's been some -- a lot of good  
6           discussion here. Most of the points that I did  
7           want to cover have already been covered, so I'm  
8           not going to reiterate those. But I did want to  
9           mention a few things about Mercer County.

10          For one, we are fortunate to have  
11          Mr. Longietti as one of our representatives for  
12          part of Mercer County. But I also wanted to talk  
13          a little bit about the economy of Mercer County.

14          Right now, we are -- I've heard some figures.  
15          Unemployment, we're nearly 13 percent, as the last  
16          figure we got in Mercer County. So our economy is  
17          poorer than most of the rest of the state, as a  
18          lot of communities are in Western Pennsylvania.  
19          So I did want to mention that.

20          And I did want to also talk a little bit  
21          about some of the funding that we have received  
22          and some that we would like to see coming into  
23          Western Pennsylvania and Mercer County in  
24          particular. We have received notification we  
25          have -- we are receiving transit funding. We

1 received that notification; a little over 600,000.  
2 And we received funding for homeless, which --  
3 which are programs that are needed, especially in  
4 light of the fact of our unemployment in our area.  
5 And we could put those funds to good use.

6 But the economic development funding, the job  
7 creation funding seems to be a little bit slow in  
8 coming. And that was one of my questions that you  
9 answered in your first introductory talk; that  
10 most of the funding we haven't received from the  
11 Federal Government yet. And I just am hoping --  
12 and I wanted to make a statement that maybe we can  
13 be more prepared to handle that funding very  
14 quickly whenever it does come in.

15 You know, some of the funding that we have  
16 gotten has been very slow in coming. And I know  
17 that there was a delay in the state due to the  
18 budget impasse, and everybody understands that.  
19 But the need -- the need is great in Mercer County  
20 and Western Pennsylvania, and I hope that we're  
21 prepared to act quickly. Even though we do need  
22 those programs for homeless and transit, the  
23 economic development and business funding for  
24 programs to develop and keep jobs in the area is  
25 very important. And I want to -- I'm hoping that

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we are able to handle that funding quickly  
whenever it does come.

So I want to thank you for the opportunity to  
come and testify. And as I said, again, stop in  
Mercer County anytime.

CHAIRMAN THOMAS: Thank you. Quick question.

MR. AMMANN: Sure.

CHAIRMAN THOMAS: This report that we have states  
that Mercer County has received 15.9 million. Is  
that correct?

MR. AMMANN: I'm going to have to say I haven't  
seen 15.9 million. So I -- I'm not sure where  
that figure is coming from. Maybe we're -- maybe  
we're scheduled to collect some on that. But, no,  
that, we have not received that.

CHAIRMAN THOMAS: This says "funds received". So  
one of the things that we're going to do, if we  
don't do nothing else, is line this up with what  
we know.

MR. AMMANN: Okay.

CHAIRMAN THOMAS: So if Mercer County is scheduled  
to receive 15.9 million, we should be able to get  
back to you and let you know when that money is  
going to be there.

MR. AMMANN: That would be very helpful.

1 CHAIRMAN THOMAS: If it's not going to be there,  
2 then maybe you should know that also.

3 MR. AMMANN: I would appreciate that greatly.  
4 Thank you.

5 CHAIRMAN THOMAS: Representative Hornaman, any  
6 questions?

7 REPRESENTATIVE HORNAMAN: No.

8 CHAIRMAN THOMAS: Representative Longietti?

9 REPRESENTATIVE LONGIETTI: Just a couple of quick  
10 comments. First of all, once again, I want to  
11 thank my County Commissioner, Mr. Ammann, for  
12 traveling up to Erie and making the presentation.  
13 I certainly appreciate his hard work at county  
14 level.

15 And I think somebody else mentioned this in  
16 the testimony; that the figures that we're seeing  
17 here may well include, for example, the money that  
18 school districts are receiving from the stimulus  
19 program.

20 MR. AMMANN: That may include MPO funding also,  
21 which I know there is some -- there is some  
22 flowing in Mercer County, which is all going to  
23 state roads through PennDOT.

24 REPRESENTATIVE LONGIETTI: That's exactly right.  
25 So the County Government itself isn't necessarily



1           seeing those dollars that they are filtering out  
2           into different government entities in the County,  
3           perhaps.

4           MR. AMMANN:  And that's something that I,  
5           personally, am going to check on to find out if  
6           that is the case.  I don't -- I don't know if --  
7           you know, sometimes we don't always know what the  
8           State is doing with the funding that may be on  
9           your report.

10          REPRESENTATIVE LONGIETTI:  The other thing, just  
11          to dovetail on the Commissioner's comment about  
12          economic development, job creation, he's  
13          absolutely right.  We've seen very significant  
14          unemployment in Mercer County.

15                 We had a Commerce Committee here in Mercer  
16          County earlier this year, and one of the things  
17          that came out from that hearing is both the  
18          Recovery Act and many of our state economic  
19          development programs really weren't designed for  
20          tough economic times.  And right now businesses,  
21          particularly small businesses, which are the job  
22          creators, need access to capital.  They need, you  
23          know, somebody to come in -- for example, the  
24          State -- to perhaps guarantee loans so that they  
25          can get the capital that they need to create jobs.

1                   And that may be an area -- I know DCD was very  
2                   interested in that testimony, and it might be  
3                   something for both the Federal Government and our  
4                   State Government to look at; to redesign some of  
5                   these programs for tough economic times so  
6                   businesses can get access to capital. And,  
7                   really, they need money guarantees right now in  
8                   order to do that.

9                   So just a comment to dovetail on your  
10                  comments.

11                 MR. AMMANN: Thank you.

12                 CHAIRMAN THOMAS: Thank you. Representative --  
13                 any questions, Representative Hornaman?

14                 REPRESENTATIVE HORNAMAN: No.

15                 CHAIRMAN THOMAS: Okay.

16                 MR. AMMANN: Thank you very much.

17                 CHAIRMAN THOMAS: Let me just put two things on  
18                 the record. One, Miss Brenda Orth is the  
19                 Secretary for Information Technology out of the  
20                 Governor's Office and will be overseeing all the  
21                 broadband technology allocations. So if any mayor  
22                 or leaders here want to follow up on that, her  
23                 name is Brenda Orth. And I told her I would be  
24                 sharing her name with you.

25                 MR. AMMANN: And it also was mentioned that the

1 Northwest Commission is doing a broadband project  
2 for the whole northwest area, and that -- that is  
3 the case. And I haven't gotten an update on that,  
4 but we are aware that they are doing something  
5 there.

6 CHAIRMAN THOMAS: Okay. Thank you, sir.

7 MR. AMMANN: Thank you.

8 CHAIRMAN THOMAS: Mr. Brian McGrath, Millcreek  
9 Township Supervisor. Good morning, sir.

10 MR. McGRATH: Chairman Thomas and members of the  
11 House Intergovernmental Affairs Committee, good  
12 morning. My name is Brian McGrath, and I am an  
13 Executive Board member for the Pennsylvania State  
14 Association of Township Supervisors and a Township  
15 Supervisor in Millcreek Township, Erie County. I  
16 would like to thank you for the opportunity to  
17 appear before you today, and particular thanks to  
18 Representatives Fabrizio and Hornaman, who  
19 represent Millcreek Township. I would like to  
20 thank them for being here also.

21 PSATS was hopeful that townships would be  
22 able to receive a portion of the American  
23 Revitalization and Reinvestment Act funding  
24 designated for Pennsylvania and worked to provide  
25 information to townships about how this money

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would be distributed and where and how to apply.

However, from day one, township officials were told that projects seeking grant funding needed to be shovel-ready. While this is a nice thought for putting money to work quickly, it seems that most projects that were shovel-ready already had secured the needed funding and were truly ready to go.

To date, few townships have actually received any funds through the ARRA. In many counties, the only visible signs of Federal stimulus are the additional PennDOT work zones on State highways and bridges. In fact, PennDOT's share of the stimulus funds was primarily spent on paving projects, because these are the types of projects that can be quickly made shovel-ready. Critical bridge projects or new road projects take more time to put together and are, therefore, less likely to be funded by stimulus funds.

The majority of townships, to our knowledge, did not apply. Either they did not look for funds, because they did not believe that their project would qualify, they did not have a project ready to go, or they did not have the staff time required to aggressively search out opportunities.

1                    Millcreek Township has experienced  
2                    frustration in our application for funding of  
3                    several projects. The State's use of the PENNVEST  
4                    process for scoring grant applications utilizes an  
5                    existing system. However, the PENNVEST process  
6                    gives priority to smaller municipalities and to  
7                    projects that address long-term environmental  
8                    issues. So larger municipalities that have  
9                    invested millions of dollars in improving  
10                   infrastructure, like Millcreek Township, are  
11                   penalized for being responsible.

12                   Our Water Authority applied for a  
13                   \$1.3 million grant that would upgrade a water pump  
14                   station that supplies water to the southern  
15                   portion of Millcreek Township and to sections of  
16                   two other neighboring townships; Summit and McKean  
17                   Townships. The improvements were necessary for  
18                   expanding commercial growth along the Upper Peach  
19                   Street corridor and for fire protection.

20                   On two separate occasions, the Water  
21                   Authority applied for a \$400,000 grant that would  
22                   fund a project providing water to a section of  
23                   Millcreek Township whose residents have failing  
24                   wells. Both projects had design work completed  
25                   and were nearly ready for letting bids. However,

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both applications were denied.

Our Sewer Authority also made funding applications for two projects. One application for \$600,000 was to stabilize a stream bank adjacent to a sanitary sewer lift station and a 2.2 million-gallon overflow retention facility. Stream erosion is endangering these facilities and could cause serious environmental harm, should the erosion continue.

The Sewer Authority's second project for \$700,000 was a sanitary sewer main extension project under Interstate 90. The project would provide Greene Township with badly needed access to public sewer.

Extensive engineering work had also been completed on these proposed sewer projects. Both projects were also rejected.

Application for these grants requires significant engineering, surveying, and, in Millcreek's case, grant consultant costs. Each of those four project applications cost between \$5,000 and \$10,000.

Fairview Township, Millcreek's neighbor to the west, spent nearly \$30,000 on one sewer project application.

1                   On a somewhat brighter note, Millcreek was  
2 fortunate to be included in the Energy Efficiency  
3 Community Block Grant Program. Being part of the  
4 EECBG allowed Millcreek to apply directly to the  
5 Federal Government, bypassing the State process.  
6 Millcreek applied for nearly \$492,000 for a roof  
7 replacement project that would provide substantial  
8 energy conservation, provide solar energy for  
9 multiple buildings in our municipal complex, and  
10 offer a solar energy educational component for the  
11 public. The cost for the application was  
12 significant; about \$16,000 for a grant consultant,  
13 plus extensive staff time. However in this case,  
14 the response to our application has been  
15 optimistic, and we expect to receive notification  
16 very soon.

17                   We believe that townships could have  
18 benefited from the stimulus funding if it had been  
19 distributed differently. A portion of the highway  
20 funding allocated in Pennsylvania could have been  
21 fairly distributed to municipalities across the  
22 state through the liquid fuels formula which is  
23 based on 50 percent on road mileage and 50 percent  
24 on population and would have helped townships pave  
25 an extra mile of road or purchase road equipment.

1           Instead, all of Pennsylvania's designated funding  
2           for road maintenance and construction was  
3           allocated to the Pennsylvania Department of  
4           Transportation.

5           It takes a good deal of effort to find and  
6           apply for ARRA grants. The difficulty is that  
7           these programs have a short window of opportunity;  
8           usually only 30 to 60 days from the time that the  
9           program announcement is made to the time when  
10          applications must be received. This makes  
11          coordination difficult and requires a municipal  
12          official to have a project ready to go and  
13          continuously seek out grant opportunities.

14          In closing, while the economic stimulus  
15          package offered a funding opportunity that could  
16          have benefited townships and their residents, few  
17          townships have actually received any funds due to  
18          difficulties in locating and applying for  
19          opportunities to fit a particular township's  
20          needs. A direct allocation or more flexible  
21          distribution process by State agencies would have  
22          produced greater benefits for townships.

23          Thank you for the opportunity to testify  
24          today on behalf of townships across the state.

25          CHAIRMAN THOMAS: Thank you.



1                   Quick question before I move to my  
2                   colleagues. Has PSATS ever received an invitation  
3                   to sit on the Oversight Commission?  
4                   MR. McGRATH: No, they haven't. The only direct  
5                   representation would be through NATAT; National  
6                   Association of Towns and Townships, and they were  
7                   represented through NATAT.  
8                   CHAIRMAN THOMAS: Thank you. So NATAT is on the  
9                   Oversight Committee?  
10                  MR. McGRATH: Yes.  
11                  CHAIRMAN THOMAS: Thank you.  
12                  Representative, any questions?  
13                  Representative Hornaman.  
14                  REPRESENTATIVE HORNAMAN: Brian, since it seems  
15                  like only -- not all of the ARRA money has come  
16                  out yet, do you still have time to apply for other  
17                  projects, or have these projects enumerated here  
18                  been your primary goals at this point?  
19                  MR. McGRATH: You're referring to the Millcreek  
20                  projects?  
21                  REPRESENTATIVE HORNAMAN: Yes.  
22                  MR. McGRATH: Only one of those projects, to my  
23                  knowledge, has proceeded, despite not receiving  
24                  the grant funding. So I would expect that we will  
25                  reapply for funding for those three other

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projects.

REPRESENTATIVE HORNAMAN: And I guess this would be a question for my colleagues as well. How do we change this process for putting this money through PennDOT and letting them dictate where these dollars are going? Because all of -- all of the municipalities and townships are begging for local road and bridge funding, and it's -- seems so fruitless to go through this process and then get shut out.

I guess this will be a question for future discussion within the Committee as to how are we going to change this process and make it more fruitful for the townships in the future.

MR. McGRATH: If I may, I mentioned the liquid fuels funding process. That's already in existence. That requires municipalities to use the money for either road projects, whether it's traditional paving or bridges or whatever, or the purchase of maintenance equipment to work on roads. So that process already exists, and I think it would be best utilized to distribute that money.

REPRESENTATIVE HORNAMAN: Then I guess the question there, then, is how do we --

1 Mr. Chairman, how do we discuss that and bring  
2 that option to the table so that we can somehow  
3 change it down the road?

4 CHAIRMAN THOMAS: Well, one of -- one of the  
5 things that's going to happen is once we complete  
6 these hearings, we're going to package the  
7 information with some specific recommendations.  
8 Some of those recommendations will get some  
9 legislative attention. The other recommendations  
10 will require meeting with the Oversight Committee  
11 and the stimulus czar to take a look at some of  
12 the recommendations that are made. But something  
13 is going to happen with it.

14 One -- one quick question. The liquid fuels  
15 tax program is a good -- good recommendation for  
16 getting money back to the counties. Are there any  
17 other recommendations that you would make?

18 MR. McGRATH: That -- that would be the primary  
19 one; in order to make certain that the money is  
20 distributed evenly so that all of the  
21 municipalities actually see some benefit, as  
22 opposed to only municipalities that may have that  
23 shovel-ready project.

24 REPRESENTATIVE COSTA: And one of the things I was  
25 looking for -- and I asked this question of some

1 of the other speakers. One of the things that has  
2 been consistent in all testimony, and that is,  
3 one, being without either the financial or  
4 technical capacity to deliver shovel-ready  
5 projects. And so my question is: Wouldn't one of  
6 the things -- as we go forward, what can we do to  
7 put local municipalities in a situation where they  
8 do have shovel-ready projects? Do we create a  
9 brain trust? Do we put more money out there?  
10 What do we do?

11 MR. McGRATH: Having some sort of a facility  
12 available to municipalities that would benefit  
13 from -- whether it's PennDOT's engineers or  
14 whether it's some other -- some other group  
15 through Harrisburg that could benefit these  
16 smaller municipalities that don't have their own  
17 engineers and have to pay for those services, that  
18 would be beneficial. I think that perhaps  
19 expanding that window of opportunity somewhat.  
20 Instead of the 30 to 60 days I mentioned,  
21 expanding that. That would enable these  
22 municipalities a greater period, that could  
23 actually make those plans, and contract with an  
24 engineer, if necessary, to come up with a cost  
25 estimate to provide for these grant applications.

1           CHAIRMAN THOMAS: Okay. But one of the things  
2           that we get from Harrisburg is, especially when  
3           working with technology money, is that we got the  
4           information at the last minute. So everybody is  
5           saying that there's not enough time.

6                     I think one County Commissioner suggested  
7           that we, as a committee, could encourage the  
8           Oversight Committee to put some money into, say,  
9           PSATS or some other organization that would be  
10          able -- for the sole purpose of providing  
11          technical assistance, in getting projects  
12          shovel-ready or getting projects packaged in a way  
13          that they could be ready on the market. That  
14          somewhere on the local level, at least there would  
15          be somebody that can identify the engineers,  
16          identify the fiscal people, identify proposal  
17          writers, and make that talent available to local  
18          municipalities.

19          MR. McGRATH: Well, PSATS does have the capacity  
20          for offering not only technical assistance, but  
21          also putting on classes -- they put on classes in  
22          April, early April, in three different locations.  
23          They were very well attended. And I think that  
24          maybe more instruction could be very beneficial to  
25          letting these municipalities know how to go

1 through the process, and that the money actually  
2 could be applied for and could actually be granted  
3 to some of these smaller municipalities. Right  
4 now they feel left out of the process. And I  
5 think the PSATS could probably help that out.

6 CHAIRMAN THOMAS: Okay, thank you.

7 Moving right along. Next we will be hearing  
8 from Elk County. And if I could ask Mr. Matthew  
9 Quesenberry. And is Ms. Jodi Foster here? Come  
10 on up and join him.

11 MS. FOSTER: I will be here for moral support.

12 CHAIRMAN THOMAS: A resource person.

13 MR. QUESENBERRY: If I start listing to one side,  
14 she'll come up and prop me up.

15 CHAIRMAN THOMAS: Okay. Elk County Planning  
16 Commission.

17 MR. QUESENBERRY: Yes, sir. Good morning.

18 CHAIRMAN THOMAS: Good morning.

19 MR. QUESENBERRY: And I am here as an employee of  
20 the County Planning Department, but also  
21 representing the County as a whole, and,  
22 certainly, the County Commissioners bid you good  
23 morning as well.

24 I want to first thank the Committee for the  
25 opportunity to be invited to speak this morning

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and have a candid discussion of, one, how well we've been executing the use of our stimulus funding.

Because of where Elk County is located -- and although we have sort of a northwest contingency, if you could indulge me, for the Committee's benefit. Elk County is located along the northern tier of Pennsylvania above Interstate 80. It's part of the North Central Pennsylvania Regional Planning and Development Commission, Local Development District. Better than 50 percent of. Better than 50 percent of our land area in Elk County is publicly owned, either State or Federally owned, including several townships that are located entirely within the Allegheny National Forest.

Elk County has been steadily losing population since 1990, and has lost more people than any other county in North Central. The 2000 census figures report a total population of 35,312, including a higher-than-average percentage of persons aged 65 years of age or older.

Manufacturing leads Elk County's economy, comprising 37 percent total employment, followed by healthcare and social assistance at 14 percent,

1 and retail trade at 11 percent. The Elk Regional  
2 Health System is Elk counties's largest employer,  
3 but the broadest base in the economy is in  
4 powdered metal manufacturing and their ancillary  
5 industries. And much of that powdered metal  
6 manufacturing is in the production of automobiles.  
7 So, not surprisingly, as the U.S. auto industry  
8 began to experience their troubles, we felt that  
9 ripple effect quite severely in Elk County.

10 Unemployment in Elk County over the last year  
11 has been the highest or near the highest of any  
12 county in Pennsylvania. In September, our most  
13 recent month for employment numbers, unemployment  
14 was down -- and I put that in quotes -- to  
15 12.9 percent. That's from a high in May of  
16 14.7 percent. Elk County has experienced  
17 double-digit unemployment every month this year.

18 In November of 2008, one year ago,  
19 unemployment was 7.7 percent. When we go back to  
20 September of 2008, we were at 5.9 percent. And I  
21 do have unemployment figures so you can have these  
22 to review at your leisure.

23 Thank you, Miss Custis.

24 DIRECTOR CUSTIS: You're welcome.

25 MR. QUESENBERRY: So that you know we're not



1           crying wolf here, we have had a very good, strong  
2           economy in Elk County until the recession has hit,  
3           and I think the numbers do as good a job as I  
4           could do to testify as to the severe job loss that  
5           Elk County has experienced as a result of the  
6           downturn in the economy.

7           The Planning Department. In addition to  
8           myself as the director, we have four positions.  
9           We have an office manager, a housing specialist, a  
10          person in charge of Community Development Block  
11          Grant, and Community and Economic Development  
12          Coordinator. The Elk County Planning Department  
13          is primarily responsible for land use,  
14          transportation, outdoor recreation, including the  
15          Pennsylvania Wilds, housing, and community and  
16          economic development.

17          Among the programs administered by the Elk  
18          County Planning Department are the Elk County  
19          Community Development Block Grant program, the  
20          Home Investment Partnership Program, the  
21          Pennsylvania Accessible Housing Program, and other  
22          State or Federal programs that may be -- impact  
23          the above-mentioned areas.

24          The reason I mentioned that -- the reason I  
25          mentioned that is that we're looking at this

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through a very narrow slice. When we talk about economic recovery and the stimulus, obviously, there's a myriad of different applications those dollars go towards.

My narrow window is within the planning department; specifically within these areas. So that's what I have to speak of.

If you look at infrastructure investments within Elk County through ARRA, we have two that I have indicated in my written report. We have a \$1.9 million project that was used for highway resurfacing of US 219. US 219 is our main arterial through Elk County. It runs north/south. Because we're above I-80, we actually do not have an interstate traversing Elk County.

Also, you'll notice a \$12.6 million approval to expand an existing regional wastewater treatment plan in Johnsonburg Borough that serves not only the borough, but the neighboring township, Jones Township, to the north.

On behalf of the Elk County Commissioners, Elk County is very grateful to receive the funding and make these significant upgrades in two critical areas; wastewater and transportation.

Other monies have been reported to be

1 received, but those funds are funds applied in  
2 those areas such as education, healthcare  
3 insurance, tax relief, and other areas beyond the  
4 scope of the planning department, as I mentioned  
5 earlier.

6 In addition, the Elk County Community  
7 Development Block Grant Program received an  
8 additional \$80,000 through the CDBG-R that will be  
9 used toward the Elk County Housing Rehab Program.

10 Okay. It may be useful for the committee to  
11 re-examine, as we've heard already this morning,  
12 the ability of small local governments to meet the  
13 parameters that were established through ARRA.

14 For example, a requirement that projects must  
15 already have been designed and ready for  
16 construction within a limited time frame --  
17 usually 60 to 90 days -- often meant the projects  
18 that were identified within studies -- these are  
19 existing studies that we have been asked to  
20 prepare in order to leverage funding through a lot  
21 of our state programs. So we don't just have  
22 projects we're pulling out of the air. These are  
23 established projects that we've identified through  
24 these studies, but they are not eligible for  
25 stimulus funding.

1           Additionally, municipalities in Elk County  
2           must be able to secure all funding necessary to  
3           bring a project to fruition, prior to undertaking  
4           any work. There is simply not the capital  
5           resources to pay for the engineering, permitting,  
6           and environmental costs without knowing that  
7           construction dollars are secure. In short, that  
8           leaves very few shovel-ready projects in Elk  
9           County.

10           And, again, I want to make myself clear that  
11           we can't take the first step until we know what  
12           the last step is. And there's absolutely no way  
13           that we can ask for our municipalities within Elk  
14           County to get themselves prepared to pay for these  
15           soft costs and have no burden in hand going  
16           forward, until they know they can deliver on that  
17           project. Suddenly we have this idea swooping down  
18           that I will pull your construction-ready projects  
19           off the shelf; we'll provide the stimulus money,  
20           we'll get those projects moving. Well, gentlemen  
21           and ladies, we don't have the opportunity in Elk  
22           County. We simply do not have the luxury to have  
23           projects idling, waiting for construction dollars  
24           to appear.

25           Similar to -- similarly, to be eligible for

1 transportation funds, the project must -- and  
2 we've heard this already. Pardon me for  
3 repeating. The project must already have been  
4 programmed on the -- in our case, in Elk County,  
5 it's an RPO; the Rural Planning Organization, and  
6 the Transportation Improvement Program. In this  
7 case, we were expected to have construction begin  
8 within 120 days. Unfortunately, that leaves very  
9 few eligible projects within the North Central  
10 RPO.

11 To illustrate this point, Elk County has 36  
12 locally owned bridges. Not one was in a position  
13 to receive stimulus dollars.

14 To get to Representative Longietti's comment  
15 from earlier, local roads are not eligible to be  
16 program-funded. Local bridges are. State highway  
17 and state bridges are. Local roads are not. The  
18 only vehicle we have to provide funding for  
19 locally owned roads, as Mr. McGrath said, is  
20 through liquid fuels. Okay?

21 There would appear, also, to be a  
22 disadvantage to rural communities because of the  
23 lack of population and a need to provide local  
24 dollar match. It's been another challenge.  
25 Municipalities in Elk County generally do not have

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the tax base to support budgets that provide discretionary spending necessary to leverage stimulus dollars.

For example, energy investment projects considered in Elk County were determined to be too small to qualify, and even if these projects were eligible, the Pennsylvania Department of Environmental Protection required a local match, and it would be very challenging for many communities.

In conclusion, ARRA stimulus dollars inevitably benefit Elk County. The wastewater treatment plant project in Johnsonburg will reduce the capital investment cost that will be passed on to the consumer through higher monthly user fees. Construction work in Johnsonburg and along US 219 generates money into the local economy through retail, lodging, food service, and related market sector spending.

With that said, the need to use stimulus money quickly hampered communities that did not have projects fully prepared for construction.

Furthermore, the program categories that were developed did not seem to address some specific needs in Elk County. For example, small

1 businesses in Elk County undoubtedly would benefit  
2 from better energy efficiency. There appeared to  
3 be no opportunity for counties to secure larger  
4 block-grant-style funds that then could be  
5 redistributed to small downtown and retail  
6 businesses to address such needs as better  
7 windows, heating systems, and lighting. This, in  
8 turn, could reduce the business operating costs  
9 and improve their cash flow.

10 It isn't just enough to say A plus B equals  
11 C. In order to help stimulate job growth, we need  
12 to unshackle a business's ability to generate  
13 revenue. So we look at this as an example of a  
14 way not only can we make a benefit to the  
15 environment for energy efficiency, but any cost  
16 savings that you can pass on to a business  
17 ultimately should translate into an opportunity  
18 for hiring additional employees. Okay? And that,  
19 for whatever reason, at least on our radar, didn't  
20 seem to be the case.

21 In addition, there were no legacy recreation  
22 projects that had been so successful under the  
23 Civilian Conservation Corps during the 1930's. In  
24 Elk County, dollars are generated through tourism  
25 and capitalizing on our unique outdoor amenities,

1           such as the elk herd and the Clarion river. There  
2           were no programs to address trail development  
3           activities, fishing or boating access,  
4           improvements to downtown streetscapes, or historic  
5           structures.

6           Again, to illustrate that point, this  
7           weekend, I am planning on participating in a  
8           two-night scouting trip at Parker Dam State Park.  
9           It was a park that was built by the CCC during the  
10          1930's. Still being utilized today, still  
11          being -- bringing people to the area.

12          What if we look back 75 years, to see into  
13          the future from this point right now? Are we  
14          going to be able to have those kinds of legacy  
15          projects that we can hang our hat on, that are  
16          still being utilized, still being relevant, and  
17          important to our communities today? I wonder.

18          So in conclusion, I would, again, thank you  
19          very much for the opportunity to provide testimony  
20          on how ARRA funding has affected communities  
21          within Elk County.

22          I want to apologize again to you for speaking  
23          so quickly. I have a tendency to get excited, and  
24          when I get ahold of something, I just do it  
25          quickly.



1 CHAIRMAN THOMAS: Thank you.  
2 Representative Fabrizio?  
3 REPRESENTATIVE FABRIZIO: No questions,  
4 Mr. Chairman. But thank you.  
5 CHAIRMAN THOMAS: Representative Deasy?  
6 (No response.)  
7 CHAIRMAN THOMAS: Representative Longietti,  
8 Representative Hornaman?  
9 (No response.)  
10 CHAIRMAN THOMAS: I have a couple questions. One:  
11 Are you in communication with the Pennsylvania  
12 Department of Conservation and Natural Resources?  
13 MR. QUESENBERRY: Yes, sir, we are.  
14 CHAIRMAN THOMAS: Secondly -- and I guess anybody  
15 from the audience can jump in on this. When the  
16 ARRA initiative was first announced, states were  
17 basically left to take on different paths for  
18 accessing and utilizing ARRA dollars. Some states  
19 looked to their legislative bodies to design a  
20 model for receipt and distribution of ARRA. Some  
21 states looked to their Governors to design a  
22 model, which, in many cases, turned out to be an  
23 oversight committee, an executive oversight  
24 committee. And then some states looked at  
25 something that looked like a hybrid of both the

1 legislative body and the executive body, coming up  
2 with something that looks at receipt and  
3 utilization.

4 Do you have any opinions on the kind of model  
5 that we should -- well, are you satisfied with the  
6 current model, or would you recommend another  
7 model for Pennsylvania?

8 MR. QUESENBERRY: Mr. Chairman, I would suggest  
9 that using the existing current programs -- that's  
10 what seems to be the model that has been developed  
11 in Pennsylvania. We already have State agencies  
12 with existing programs, and we have a method of  
13 trying to bring that -- bring those funding  
14 through these vehicles.

15 I would ask, though, that we would adjust the  
16 guidelines to be in more of a tiered system. As  
17 we all know, because of diversity within  
18 Pennsylvania -- and we have heard this countless  
19 times -- that one size fits all approach is simply  
20 not effective. So perhaps what we need to do is  
21 consider, when we're selecting the projects, we  
22 look at sudden catastrophic job loss, we look at  
23 higher areas of sustained unemployment, so that as  
24 we're going to PENNVEST or we're going to these  
25 existing state agencies that have been receiving

1                   these monies, that there are new requirements,  
2                   tiered requirements that looks at an area and  
3                   makes additional determinations of who is most  
4                   severely impacted by the recession and what's the  
5                   best way to deliver those dollars to that area.

6                   CHAIRMAN THOMAS: Okay. Any other questions or  
7                   comments?

8                   (No response.)

9                   CHAIRMAN THOMAS: One other question. Are County  
10                  Commissioners represented on the Oversight  
11                  Committee?

12                 MR. QUESENBERRY: Not to my knowledge.

13                 REPRESENTATIVE FABRIZIO: Not that I'm aware of.

14                 CHAIRMAN THOMAS: Pardon?

15                 REPRESENTATIVE FABRIZIO: I don't think so.

16                 MR. QUESENBERRY: I don't think CCAP is on there  
17                 either.

18                 CHAIRMAN THOMAS: Because that was brought to my  
19                 attention.

20                 All right. You think that a lot of your  
21                 concerns would -- would get to the table if County  
22                 Commissioners was represented on the Oversight  
23                 Committee?

24                 MR. QUESENBERRY: Absolutely. I would recommend  
25                 CCAP would be some body that would be an excellent

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representative on the Oversight Committee.

CHAIRMAN THOMAS: Okay. All right. Thank you.

Now, we have two other counties we're scheduled to hear from, but I don't know if there's anybody here from Clarion or Clearfield.

Anybody here from Clarion or Clearfield County?

And I think Miss Custis just shared with me that they had other meetings, so they would not be --

DIRECTOR CUSTIS: Well, they were coming, but they were coming later. They thought, you know, after 12:30, because they thought we would be extended to that time, but we're ahead of schedule.

CHAIRMAN THOMAS: Well, what is the will of the committee?

REPRESENTATIVE FABRIZIO: I've got another appointment, Mr. Chairman, so I would defer to these gentlemen.

REPRESENTATIVE LONGIETTI: We have written testimony from Clarion.

REPRESENTATIVE DEASY: That's sufficient. If I may, I think a lot of these municipalities -- it's all about moving forward. Our role as a committee is to listen to these concerns and find a way of maybe finding some State resources, be it some engineering help, and get these projects ready, so

1 the next round of money that's out there, we're  
2 able to help them out and access anything that  
3 they possibly can. We heard this throughout the  
4 hearing today and also at the hearing we had in  
5 Indiana County a few weeks back. It's the same  
6 thing.

7 Thank you.

8 CHAIRMAN THOMAS: Thank you. Well, as I stated in  
9 the beginning, December the 10th, we will -- a  
10 hearing will be in Harrisburg, and sometime after  
11 December 10th, we will go back to the House office  
12 in Pennsylvania. And so we will conclude these  
13 hearings by the end of the year. We will --  
14 anybody that submitted testimony, that testimony  
15 will be taken into consideration in developing a  
16 response to the hearings with some specific  
17 recommendations.

18 During the interim, we have evidence that has  
19 come up that we think needs immediate attention.  
20 We will be communicating directly with the  
21 Oversight Committee. What we have to communicate  
22 directly is expansion, putting -- putting some  
23 more voices on the Oversight Committee.

24 REPRESENTATIVE FABRIZIO: I believe that's  
25 absolutely necessary.

1 CHAIRMAN THOMAS: I don't know of any county  
2 commissioners, I don't know of any township  
3 supervisors, I don't know of any school boards, I  
4 don't know any of those statewide organizations  
5 that has a voice --

6 REPRESENTATIVE FABRIZIO: It would make sense,  
7 Mr. Chairman, if the stakeholders were  
8 represented.

9 CHAIRMAN THOMAS: I agree. So something like that  
10 is something that we're going to act on very  
11 quickly.

12 But if you testify, you will get a copy of  
13 the final report with the recommendations. If  
14 there's additional recommendations that you have,  
15 please feel free to share those recommendations  
16 with us. Your concerns are important to us, and  
17 I'm confident -- and I say this on behalf of my  
18 colleagues -- that at the end of the day, no  
19 matter how much it is, we need to make sure that  
20 we get the maximum out of the investment. And we  
21 can only do that by playing a major role in  
22 determining both access and usage.

23 So, again, thank you. And I know I'm really  
24 excited to have our mayors and our colleagues.  
25 Thank you.

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REPRESENTATIVE FABRIZIO: Thank you, Mr. Chairman.

(Hearing concluded at 12:13 p.m.)

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C E R T I F I C A T I O N

I, Janis L. Ferguson, RPR, CRR, a Court Reporter  
and Notary Public in and for the Commonwealth of  
Pennsylvania, do hereby certify that the foregoing  
is a true and accurate transcript of my  
stenographic notes in the above-captioned matter.

S/ Janis L. Ferguson  
Registered Professional Reporter  
Registered Realtime Reporter

Dated: \_\_\_\_\_