



pennsylvania

GOVERNOR'S CENTER FOR
LOCAL GOVERNMENT SERVICES

Annual Report

Governor's Center for Local Government Services

July 1, 2007 - June 30, 2008

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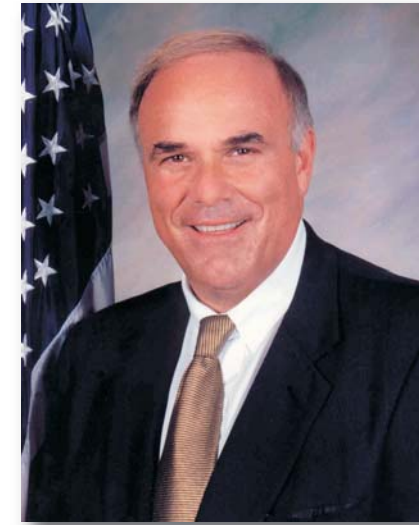


Commonwealth of Pennsylvania
Edward G. Rendell, Governor
www.state.pa.us

Department of Community
& Economic Development
George E. Cornelius, Acting Secretary

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The Governor’s Center for Local Government Services is where local governments look for help when they need an advocate and want to cut through red tape. Throughout the Commonwealth, the Center’s staff is known by local officials and others for their dedication and professionalism.

The agency’s vital programs and efficient and effective service give local governments access to all state agencies under the executive branch. It coordinates resources to help solve local issues and uses a systematic approach for when problems involve more than a single agency.

The Center also works with local governments to support the growth and development of businesses and communities throughout Pennsylvania. Nearly five years after enacting one of the largest and most ambitious economic stimulus packages in the country, we have committed more than \$3 billion in grants, loans and guarantees that are creating and retaining more than 200,000 jobs, bolstering business growth and revitalizing our communities. You can use the “Funding and Program Finder” on www.newPA.com to find the resource in our economic toolbox that best fits your community’s needs.

This 2007-08 Annual Report highlights the programs and services the center has provided to local governments, including local and regional police and volunteer fire services, budget and finance, as well as the Uniform Construction Code, planning and land use.

In this challenging economy, when every cent is so vital to continue providing services to Pennsylvania residents, I encourage you to call the Governor’s Center for Local Government Services at 1-888-2CENTER, or visit www.newPA.com/center to read how we can help your community emerge from this economic storm.

Edward G. Rendell
 Governor

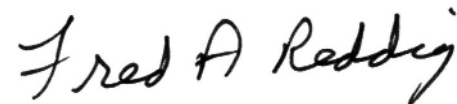
I am pleased to be able to present the Center's Annual Report for FY 07-08 and review our assistance to local governments over the last year. The accomplishments of the last year are the result of the dedication and commitment of our very talented staff.

The year represented a transition for the Center. After losing a number of very senior staff to retirement in 2007, we recruited individuals with strong local government skills to replace them. Whether the project involves assisting with a budget or accounting issue, a regional police study, an intermunicipal grant project or a multi-municipal plan, Center staff has worked with you to improve the services you provide to your residents.

The year saw the Center's multi-year effort to reform the Earned Income Tax (EIT) Collection System rewarded with the passage of Act 32. In 2003, Center staff initiated a study of the EIT system as a result of receiving numerous complaints from local governments, businesses and taxpayers on deficiencies in the system. Following the release of the study in the fall of 2004, the Center worked with a broad stakeholder group including representatives from the local government and business communities along with legislative staff to develop legislation to address administrative, oversight and enforcement issues with the tax collection process. Center staff is now actively engaged with local governments to assist in the transition to the new collection system which will be fully implemented by January 2012.

This report also highlights the Center's assistance to local governments in numerous areas. Our Municipal Statistics operation continues to provide vital tax and fiscal information, and was accessed 45 million times during the year. The PA Local Government Training Partnership continues to provide capacity building training and was attended by over 9,000 local officials. Our various grant and loan programs provided more than \$10 million in assistance to incentivize intermunicipal projects and multi-year fiscal planning, restore municipal fiscal stability, and facilitate multi-municipal planning efforts.

I trust you will find our report insightful on the Center's accomplishments of the last year on the broad range of local government issues we were involved with. As we look forward in the coming year, we stand ready to assist local officials in providing the best quality of life possible for all Pennsylvanians.



Fred A. Reddig
Executive Director



Since 1996, the Commonwealth of Pennsylvania has set aside Local Government Day to honor the men and women who serve the citizens of their communities through dedicated service. During the Local Government Day ceremony, the Center presents the Governor's Award for Local Government Excellence to local governments that have developed and implemented programs and projects designed to improve the quality of life in their communities. Elected and appointed officials nominated by local government associations are also recognized for their selfless service to local government. For further details, visit www.newPA.com.

On April 15, 2008, approximately 300 local government officials gathered at the Pennsylvania Farm Show Arena to recognize this year's award winners. Following remarks from the late Lieutenant Governor Katherine Baker Knoll, the following local governments received awards:

2008 LOCAL GOVERNMENT AWARDS

Dallas A. Dollase Award for Excellence in Planning

- > Anna Breinich, AICP

Building Community Partnerships

- > Centre Region COG/Centre Region Recreation Authority, Centre County
- > Rock Run Regional Visioning Committee, Cambria and Clearfield Counties
- > Springfield Township, Jacobus and Loganville Boroughs, York County

Responding to Adversity

- > City of Wilkes-Barre, Luzerne County

Promoting Community/Economic Revitalization

- > Redevelopment Authority of the City of Erie, Erie County

Innovative Community / Governmental Initiatives

- > Greater Lebanon Refuse Authority, Lebanon County

Innovative Planning and Sound Land Use Practices

- > Lancaster Inter-Municipal Committee, Lancaster County

Intergovernmental Cooperation

- > Warren County Intergovernmental Co-Op

2008 INDIVIDUAL AWARD WINNERS

- > **Robert Anspach**, Mayor, City of Lebanon, Lebanon County
- > **Douglas K. Bowen**, Manager, Whitehall Township Authority, Lehigh County
- > **Peter A. Ferraro**, Commissioner, Ross Township, Allegheny County

- > **Joseph F. Giles**, Chairman, Erie County Council
- > **Charles "Bud" Graham**, Supervisor, Harris Township, Centre County
- > **William C. Groves**, Chairperson, Cumberland Township, Greene County

- > **David Perruso**, Mayor, Wilson Borough, Northampton County
- > **Barry Seymour**, Executive Director, Delaware Valley Regional Planning Commission

The Community and Economic Development Enhancement Act 1996-58 created the Local Government Advisory Committee, as part of the merger of the Departments of Community Affairs and Commerce into the Department of Community and Economic Development. The lieutenant governor chairs the Committee and serves as a link between the Commonwealth and its local governments. The Committee enables local governments to provide advice to the highest levels of state government from businesses and citizens, and it allows state officials to brief local officials on important issues that affect local government. Committee members, as representatives of local governments throughout the state, use the forum to express their ideas on how state government can assist local officials in meeting the service needs of their residents. The Governor's Center for Local Government Services staffs the Committee.

The Committee met twice during FY 07-08, and discussed the following topics:

- > the report of the Transportation Funding and Reform Commission
- > the Governor's Energy Independence Strategy
- > the Land Use, Transportation and Economic Development Initiative
- > the Local Services Tax and the Earned Income Tax Collection Consolidation legislation
- > the Open Records Act
- > the COSTARS cooperative purchasing program
- > the Land Use and Growth Management 5 Year Report

The Local Government Advisory Committee comprises six members representing the major local government associations, four at-large members appointed by the Governor, and four members appointed additional members are appointed by the leaders of each of the legislative caucuses of the General Assembly. Committee members may serve no more than two two-year terms. Members serving during FY 07-08 (there are currently two vacancies) were:

- > Donald Carmen, Borough of Elkland, Tioga County
- > Edward Cernic, Jr, Cambria County
- > Percy Dougherty, Lehigh County
- > William Groves, Cumberland Township, Greene County

- > James Hertzler, East Pennsboro Township, Cumberland County
- > Bruce Hockersmith, Borough of Shippensburg, Cumberland/Franklin Counties
- > Lester Houck, Salisbury Township, Lancaster County
- > Kathy Kane, City of Wilkes Barre, Luzerne County
- > Anthony A. Russo, Jr, Wilkesburg-Penn Joint Water Authority
- > Barry Smith, Manor Township, Lancaster County
- > John Suplizio, City of DuBois, Clearfield County
- > Jane Young, Borough of Lansdowne, Delaware County



The Governor's Center tracks legislation affecting municipal codes, local taxes, the Uniform Construction Code, land use, municipal pensions, police, fire and emergency services, and many other issues relating to local government. As of October 2008, there were 394 bills from the 2007-2008 Session of the General Assembly being monitored by the Center.

The Governor's Center consistently consults with many associations and organizations in order to identify concerns with bills, gather comments, and to propose amendments. The Center confers with the following associations and organizations: the County Commissioners Association of Pennsylvania, the Pennsylvania League of Cities and Municipalities, the Pennsylvania Association of Township Supervisors, the Pennsylvania Association of Boroughs, Pennsylvania State Association of Township Commissioners, the Pennsylvania School Boards Association, and the Pennsylvania Municipal Authorities Association. The comments and analyses developed by the Governor's Center are provided to the Department of Community and Economic Development's Legislative Office, the Office of General Counsel and to the Governor's Office.

Local Income Tax Collection Consolidation

The Governor's Center worked with many stakeholders over the past several years to achieve the enactment of Act 32 of 2008 which requires that local income taxes be collected on the countywide basis instead of on the school district and municipal levels. The act will streamline income tax collection, particularly for businesses, which will be able to remit taxes to just one tax collection district in the state. In addition to a simplified process, the new collection system will greatly bolster the funds available to local governments. The Western division of the Pennsylvania Economy League indicated in a study that over \$237 million is lost annually during the antiquated collection process.

Act 32 will help recoup lost funds by requiring that all employers withhold all income taxes from their employees and remit those taxes to the tax collector for the tax collection district where their facility is located. Each tax collector will distribute revenue to taxing jurisdictions within the district and to other districts. Tax collectors will also begin using standard forms and procedures, to be developed by the Governor's Center.



Steps towards implementation of Act 32 will continue through the year 2011 with full implementation in 2012. Through Act 32, 69 tax collection districts are established. The Governor's Center is currently developing a list and a map of the tax collection district. In 2009, taxing jurisdictions will have to appoint representatives to a tax collection committee, which will appoint the county-wide tax collector. Additional information is available on the Department's website.

Right to Know Law

Act 3 of 2008, known as the Right-to-Know law reversed the presumption of access to records under the prior Act, and put the burden of proof on a government agent in order to deny access to a record. Certain, though

limited, information is exempt and will not be available to the general public. Protected information includes social security numbers, personal financial information and individual medical records. All local governments and the state government will be subject to the Right-to-Know Law.

The Act established an independent Office of Open Records, which is housed within the Department. Terry Mutchler has been appointed executive director of the office and has begun hiring personnel for the office. The Office of Open Records was established immediately after the passage of the law while the majority of the law will go into effect on January 1, 2009. Additional information is available on the office's website: <http://openrecords.state.pa.us/>

EDUCATION AND TRAINING

In 2005, the Governor's Center for Local Government Services established the Pennsylvania Local Government Training Partnership. Members of the partnership include the County Commissioners Association of Pennsylvania, the Pennsylvania League of Cities and Municipalities, the Pennsylvania Municipal Authorities Association, the Pennsylvania State Association of Boroughs, the Pennsylvania State Association of Township Commissioners, and the Pennsylvania State Association of Township Supervisors. The Center also entered into agreement with the Departments of Environmental Protection, Agriculture, General Services, Transportation, Conservation and Natural Resources, Labor and Industry, the PA Emergency Management Agency and the PA Rural Development Council to assist them with delivery of their training programs to local government.

The PA Local Government Training Partnership provides a more effective coordination and delivery of the comprehensive set of training opportunities for local officials, using the resources available from the private and public sectors. During fiscal year 2007-2008, the partnership offered 101 courses, totaling 424 sessions, to 9,247 participants all across the Commonwealth of PA. These courses include general government administration, code enforcement, public safety, public works planning and community and economic development.

We continue to offer Qualified Tax Collector Training as required by Act 2001-25. This law assigned the Center

the responsibility of establishing a basic training, continuing education, examination and qualification program for tax collectors throughout the state. This year, three sessions of the Basic Training & Examination courses were offered, in addition to eight sessions of Trends in Tax Collection, and three sessions of Tax Collector Qualification-Exam Only courses. In fiscal year 2007-2008, 42 tax collectors have earned or maintained qualification status.

The Pennsylvania Construction Codes Academy (PCCA) continues to expand and develop partnerships to meet the growing demand for certified building inspectors. In fiscal year 2007-2008, PCCA provided training to 2,370 individuals through the partnership.

Center Publications

To keep Pennsylvania's officials informed, the Center maintains a library of approximately 50 publications on local government issues. The publications serve as the basis for many of the Center's educational programs. Publications are updated approximately once every three years or upon the enactment of major legislation that affects a publication.

Most of the publications are provided in a PDF format on the Center's web site. All publications on the web site can be downloaded from the list at no charge, and are updated as needed to reflect changes in the law.



MUNICIPAL MERGER AND CONSOLIDATION

Act 1994-90, the Municipal Merger and Consolidation Act, provides the legislative authority for Pennsylvania municipalities to combine assets through consolidation or merger of governments. Act 90 requires a simple majority vote in each of the participating municipalities for a merger or consolidation to succeed. Whether delivered to the ballot by citizen petition or governmental agreement, boundary change questions contain sensitive, complicated and difficult issues for the general public and elected officials alike.

To date, there is one boundary change effort underway (in Mercer County) that is scheduled to appear on the November 2008 ballot, and the Center is providing technical advice and financial support: West Middlesex Borough and Shenango Township are considering whether to merge the borough into the township.

While boundary change can involve all sizes of local government or a county-wide proposal, all assistance provided to local governments and citizens proves to be educational and challenging in numerous ways. The Center is committed to supporting these efforts at the request of local governments, with the goal of developing more efficient and responsive government.



POLICE

The Governor's Center for Local Government Services continues to be a strong advocate in providing technical assistance in matters of police administrative/management procedures and police regionalization. In FY 07-08, the Center conducted more than 21 regional police feasibility studies for municipalities interested in consolidating their police services.

Assistance ranges from solving minor problems over the telephone to conducting in-depth management studies and studies to determine the feasibility of police consolidation. Regional policing is currently an alternative method to the provision of traditional police services in the Commonwealth of Pennsylvania. The concept has proven to be successful for many Pennsylvania municipalities. It must be noted that Pennsylvania has, by far, more police departments than any other state in the union. Most of Pennsylvania's police departments are quite small and unable to provide a full range of police services.

The first regional department in Pennsylvania was established in 1972, and thirty-four more followed over the next three decades. More and more, the concept of regional policing is gaining favor with municipal leaders who are faced with stagnant or declining sources of revenue. Most regional police departments have been created to strengthen existing police services, especially in the areas of administration, supervision, training, investigation, patrol and specialty services.

To assist in the start-up of regional police departments, the Center

coordinates two grant programs: DCED's Shared Municipal Services Grant Program and the Regional Police Assistance Grant Program, with the Pennsylvania Commission on Crime and Delinquency.



As part of the Center’s public safety initiative, staff provides technical assistance to volunteer emergency service organizations across the Commonwealth. The Center’s two primary methods of assistance are the Fire Services Task Forces and the Peer-to-Peer Program.

Task Forces comprise fire company personnel, elected officials and citizens from the communities represented. Their mission is to assist the volunteer organizations with strategies for recruitment, retention, education and administrative issues regarding business operations. On a higher level, some task forces are asked to provide direction for merging or consolidating two or more emergency service organizations. Currently, there are approximately 60 active task forces at work throughout the state.

The Peer-to-Peer Program objectively studies and evaluates emergency service organizations to recommend how to enhance, grow and operate more efficiently as business and social

organizations. Through the Peer-to-Peer Program, the Center completed nine separate studies during the fiscal year.

Much of the work done for volunteer emergency service organizations follows the format and recommendations contained in the House Resolution 148 report. Completed by the Legislative Budget and Finance Committee and released in June, 2005, this report documents the use and success of Task Forces throughout the Commonwealth and the positive impact they have had upon volunteer emergency organizations. The report describes a variety of “partnerships” that can be achieved through collaboration and combination of assets.



The Center continues to monitor legislative changes to the Uniform Construction Code and assist government officials, third-party agencies, contractors, design professionals and property owners in understanding and complying with the regulations associated with the statewide building code.

Because the regulations to enforce the Commonwealth's first comprehensive construction code have now been promulgated, the Center has focused on providing support to more than 90 percent of the municipalities that have opted-in to provide administration of the code. Act 2004-92 designated the Governor's Center for Local Government Services as the principal agency for developing and providing

technical assistance to municipalities for implementing, administrating and enforcing the provisions of the Act.

With this responsibility, the Center will continue to work with its contracted training partners, specifically the Pennsylvania Construction Codes Academy, to enhance current outreach and further develop the means to disseminate the large amount of

information and clarify issues related to the enforcement of the UCC.

In addition, the Center is fulfilling its' legislative responsibility to collect the required quarterly construction permit reports and the accompanying permit fees to facilitate the aforementioned training through the PCCA and the Pennsylvania Housing Research Center (PHRC).

ACT 47 DISTRESSED COMMUNITIES

Municipalities Financial Recovery Program

The Municipalities Financial Recovery Act of 1987 (Act 47) was enacted to provide a broad-based program of fiscal management oversight, technical assistance, planning and financial aid to municipalities experiencing severe fiscal distress. Emphasis is placed on long-term solutions that focus on fiscal management improvements, intergovernmental cooperation, community development activities and the early identification of municipalities with tendencies toward financial distress.

Act 47 does not provide for a takeover, rather the State’s role is to provide strong oversight and develop a partnership with the municipality in order to ensure that residents receive vital services. The following provides a summary of several key initiatives undertaken during the last year.

Pittsburgh Act 47 Activities

Involvement with the City of Pittsburgh continues to be the most significant activity in the Municipalities Financial Recovery Act program. Pittsburgh was designated as a distressed municipality by DCED Secretary Dennis Yablonsky on December 29, 2003. The team of Eckert Seamans Cherin and Mellott and Public Financial Management serves as the Recovery Plan Coordinator and is charged with working with City officials to develop and implement a comprehensive recovery plan to

address the City’s structural imbalance and provide a strategy for long term fiscal stability.

The Act 47 process works in concert with Act 11, the Intergovernmental Cooperation Authority for Cities of the Second Class (ICA). Act 11 provides that the two processes work concurrently and equally. The Act 47 team has worked very closely with the ICA to implement a consensus approach to the long term recovery of the City.

During the FY 07-08 period the Act 47 Team worked with City officials and the Intergovernmental Cooperation

Authority (ICA) to continue the implementation of both the Act 47 recovery plan and the ICA approved 5 year plan which are interrelated and build on each other. Further recovery efforts have focused on achieving the recovery plan goals with City-County cooperative ventures including joint purchasing and energy management, achieving greater service delivery efficiency, improvements in the City’s financial management system and economic development initiatives to strengthen the City’s tax base with a focus on the downtown as well as the City’s many neighborhoods. A

successful managed competition process was undertaken for animal control and solid waste. The City ended 2007 with a positive balance of \$54 million, significantly higher than the the \$89 million deficit anticipated without intervention. The improvement in the City's financial position has also been reflected in improved bond ratings by the key rating agencies.

In December 2007, the City requested DCED to consider a rescission of its distress designation. Following a review of City finances as of the end of 2007, DCED held a public hearing in April 2008 to obtain testimony on the City's fiscal position. City administration, Council, Controller and representatives of employee groups all testified as did the ICA, members of the business community and the Act 47 Coordinator. At the hearing considerable testimony was presented that acknowledged the progress made to date and the City's current fiscal stability, however, testimony also addressed significant liabilities for debt, pensions, OPEB and workers compensation and a 5 year plan that returned to a deficit position in the out years. Based on the testimony received and the analysis of the City's fiscal position, DCED Secretary Yablonsky issued an order in July 2008 retaining the distress designation and directing the recovery plan coordinator to prepare a revised recovery plan that addresses legacy

costs and provides a path towards recovery. The Act 47 Coordinator has embarked on this effort and anticipates the completion of an updated recovery plan by year end.

City of Naticoke, Luzerne County

The City of Naticoke was declared a distressed municipality in May 2006 and adopted its Recovery Plan in January 2007. During FY 07-08 the Center in coordination with the Pennsylvania Economy League, their Act 47 Coordinator, devoted considerable effort to working with the City in the implementation of the adopted Recovery Plan. Since its entrance into Act 47 the City has remained current on all of operating expenses and long-term debt obligations. The Department provided a \$700,000 loan in 2006 shortly after the distressed determination to address outstanding accounts payable and to meet operating expenses for the latter half of 2006. A second Act 47 loan in late 2007 was necessary to assist with the cash flow issue mentioned above. This \$200,000 loan will be amortized and included into the City's long-term debt obligations.

The City is addressing numerous cost containment measures and in early 2008 negotiated collective bargaining agreements with its clerical and public works employees consistent with the

recovery plan. The existing contracts with both police and fire expire at the end of 2008 and negotiations are underway.

The plan called for the implementation of an administrative structure with a City administrator and fiscal director. The Administrator and Fiscal Director provided strong leadership during the early stages of recovery, though the Administrator left in early September 2008. The City has appointed the City Fiscal Director as the interim City Administrator and is working with DCED and the Act 47 Coordinator to fill this essential position.

Other Act 47 Communities

In addition to the above municipalities the following 15 municipalities are also recognized as state-designated distressed municipalities. Active recovery efforts are in process in each of these municipalities. Recovery efforts in these municipalities are focusing on continued service efficiencies especially through intergovernmental initiatives and implementing community and economic development strategies to strengthen their tax base. Cities of Clairton and Duquesne and Boroughs of Braddock and Rankin, Allegheny County; City of Aliquippa, Beaver County; City of Johnstown and Borough of Franklin, Cambria County; City of Chester and Borough of Millbourne, Delaware County; City of Scranton, Lackawanna County; City of New Castle, Lawrence County, Borough of West Hazleton and Township of Plymouth, Luzerne County; City of Farrell and Borough of Greenville, Mercer County.

DCED will continue to work closely with local officials to guide them toward long term stability, grow their tax bases, increase revenue, contain costs, enhance financial management capacity, improve municipal service delivery and expand inter-municipal cooperation arrangements.



LOCAL GOVERNMENT CAPITAL PROJECTS LOAN PROGRAM

Through the Local Government Capital Projects Loan Program small municipalities can receive secured funding to help finance important capital purchases and projects. Local governments with populations of 12,000, or less, are eligible to get guaranteed fixed low-interest loans at an interest rate of 2 percent. The loans can be used for purchases of equipment and also the purchase, construction, renovation or rehabilitation of facilities.

In FY 2007-08 the Center funded 16 projects with \$413,850.

EARLY INTERVENTION PROGRAM

The Early Intervention Program (EIP) was initiated in 2003 as an element of the administration's Economic Stimulus program. The EIP was established to assist local governments in addressing financial management and fiscal difficulties in a timely and planned manner to avert fiscal crises that would have an adverse impact on health, safety and welfare of their residents and to be a companion to Economic Stimulus activities. Prior to the development of this initiative, no state grant program was available to support this type of effort. The EIP was designed to be a pre-emptive step for counties and municipalities who, though not formally declared distressed, were realizing serious fiscal difficulties and sought to "right their financial ship" with a five-year financial plan and a management review provided by the EIP. These plans include short-term and long-term financial and managerial objectives that strengthen the fiscal capacity of county and municipal governments along with the integration of long-term community and economic development strategies that could strengthen the local government's tax base. This year, fourteen municipalities participated in the program.

The EIP program is divided into two parts. Part I reviews and assesses virtually all activities and functions of the local government. A series of recommendations follow to improve operations, including a proposed five-year plan to address fiscal stability and how to achieve and maintain it for the five-year period and beyond. This professional review is a service that most local governments do not have the resources otherwise to undertake.

Part II extends the original EIP program, by providing funds to implement Part I recommendations and professional technical assistance. The funds can provide for strengthened financial management systems related to accounting, personnel or other departmental operations. If local governments officially adopt the EIP report, they are eligible to apply for Part II funding.

The EIP program is available to all local governments in Pennsylvania.

The Part I report provides an excellent fiscal and managerial tool for the local government and staff. It enables them to build local capacity for long-term fiscal stability and economic health. Early recognition of problem areas through the EIP program can help local government officials take the steps

necessary for maintaining quality of life for residents in their communities.

The EIP was also selected in 2008 as one of six regional finalists for the Council of State Government's Innovation Award.



SHARED MUNICIPAL SERVICES PROGRAM

The Shared Municipal Services Grant Program received a 2.4 million dollar appropriation for the 2007-08 fiscal year. The Center awarded 80 grants that will impact more than 1,200 municipalities across the Commonwealth. Several of those grants were very large in scope and covered one or multiple counties. Shared municipal services grant funds supported projects involving joint public works projects, consolidation and/or expansion of police and fire services, joint energy efficiency projects, and joint technology initiatives, to name a few.

Local governments' interest in developing regional cost-sharing strategies to provide expanded and improved services to their constituents continues to increase, and, as such, the Program will continue to support local government initiatives that have multi-jurisdictional, county and regional influence.

The Program also worked with other grant programs, including the Appalachian Region Program, the Land Use Planning and Technical Assistance Program and programs

from DCNR, to plan and implement large regional projects. The Center will continue to emphasize partnering with other state agencies and within DCED to increase applicants' success on projects. The Center will strive to expand these partnerships to provide local governments with additional flexibility and access to additional funding mechanisms.



MUNICIPAL STATISTICS

Under various state statutes, the Governor's Center for Local Government Services is the designated repository for a range of local government tax, financial and demographic data. As a result, the Municipal Statistics site is heavily accessed by legislators, employers (both statewide and national), researchers, government officials and the general public. In fiscal year 2007-2008, additional enhancements to the site were completed, providing a more user-friendly environment, easier e-filing for end users and improved accuracy of data. With the enhancement of the site to date, the number of hits for the 2007-2008 fiscal year totaled more than 45 million, double the total number of hits for the 2006-2007 fiscal year. The enhancements support the Center's ability to provide more timely and accurate information and allow data to be more readily accessed.

The Center uses the following forms to collect the legally required local government data: Tax Information Form, Annual Audit and Financial Report/Annual Financial Report, Report of Elected and Appointed Officials, Survey of Financial Condition, and Annual Report of Municipal Authorities.

The Center has updated and improved the web-based applications for electronic submission of required reports and continues to encourage municipalities, counties and school districts to consider e-filing their DCED forms.



TECHNICAL ASSISTANCE

As the one-stop shop for Pennsylvania's local governments, the Center provides a full range of technical help in a number of areas, including cooperative purchasing, elected and appointed officials, roles and responsibilities, intergovernmental cooperation, police, volunteer fire companies, financial management, public administration, code enforcement and public risk management.

Local government officials are encouraged to call 1-888-223-6837 if they need assistance. Alternately, those who wish to request assistance may visit NewPA.com and access the Letter of Intent under the Department of Community and Economic Development link for Assistance.

In FY 2007-2008, the Center received more than 67 letters of intent, as well as more than 200 formal requests from local governments, for in-depth technical assistance. The Center generally provides the municipalities with written reports that contain recommendations for improvement.

TECHNICAL ASSISTANCE

Type of Assistance	# of Assists
Finance	9
General Administration	16
Police - Management	13
Police - Regional	11
Public Works	3
Volunteer Fire	15

COMMUNITY PLANNING AND LAND USE

Local and county governments have an important responsibility to plan the future of their communities. For older communities, this includes breathing life back into downtowns and vacant buildings, improving existing infrastructure, attracting new economic development projects and improving the overall quality of life. For rapidly growing communities, this includes accommodating new residential, industrial and commercial development while minimizing growth-related issues such as loss of farmland, traffic congestion, excessive storm-water runoff and adverse environmental impacts. Local and county government can take full advantage of the tools made available to them by the Pennsylvania Municipalities Planning Code (MPC) to plan the future of their communities, and they can use them for more than just land use planning. They can use them as a "springboard" for new community and economic development.

The Governor's Center for Local Government Services is the lead agency in State government to monitor community planning and land use and to assist municipalities and counties with these important responsibilities. The Center's action plan is separated into four areas: Financial Assistance, Technical/Education Assistance, Interagency Coordination, and Outreach.

In fiscal year 2007-2008, the Center offered 66 grants totaling \$3,599,115 to 923 municipalities.

Community Planning and Implementation Programs

The Land Use Planning and Technical Assistance Program (LUPTAP) is the single program in state government with a direct mandate to provide financial assistance for community planning. Grants are awarded to counties, cities, boroughs, townships, and partnerships of multiple municipalities for three purposes: 1) community planning, 2) plan implementation activities, and 3) Transit Revitalization Investment District (TRID) planning studies.

Community Planning Assistance

Center staff provide a tremendous amount of technical assistance to municipal and county officials on the important issues such as comprehensive planning, community and economic development, zoning, municipal codes and other aspects of local government. These officials include elected officials, municipal managers, zoning hearing board members, planning commission members, zoning officers and other appointed officials. The Center

publishes a series of ten publications on land use planning and other related topics. All of these publications are available on the Center's land use website—www.landuseinpa.com. The web site also includes a Land Use Law Library with summaries of land-use related case law and legislation. This library is used everyday by municipal and county officials, professional planners and solicitors.

Interagency Team

The Governor's Policy Office and the Center jointly chair the Commonwealth's Interagency Team on Land Use. This Team consists of 15 state agencies and seven (7) offices of the Governor. The Team works with the Governor and commonwealth agencies to develop, coordinate and integrate state agency policies, programs, and actions to promote economic development that fosters and sustains health, economic vitality, natural and historic resources, and enhanced quality of life in Pennsylvania's diverse urban, suburban, and rural communities.



During the past year, the Team continued work on incorporating the Keystone Principles for Growth, Investment and Resource Conservation into state agency funding programs in order to get more strategic impact from Commonwealth investments. The Keystone Principles are a set of principles and criteria that are used by state agencies to guide

investment and support local growth and economic development across the commonwealth. The principles and criteria realize Governor Edward G. Rendell's vision that the state needs to offer vibrant, clean and beautiful communities if families and businesses are going to call Pennsylvania home.

PENNSYLVANIA STATE PLANNING BOARD

The Center and the Governor's Policy Office provide staff support for the State Planning Board. The Board, which is by statute an advisory board in the Governor's Office, was reactivated by Governor Rendell in 2003 and 2004 with the appointment of 15 citizens representing diverse interests and regions of the state. By law, four legislative members appointed by the majority and minority parties in each house, as well as the Secretaries of Agriculture, Community and Economic Development, Environmental Protection, Conservation and Natural Resources, Transportation and Public Welfare are also members of the Board.

The Board in 2006 released its first report. Since then and through 2007-08, the Board's efforts have focused on preparing specific legislative proposals that would implement the 2006 report recommendations, including HB 1525 – Changes to the

PA Municipalities Planning Code to promote more coordinated infrastructure planning and better consistency of community plans and their implementing zoning ordinances. The Board has also engaged the local government

associations as they finalize recommendations on governance issues, including boundary change, municipal viability and shared services.

FLOODPLAIN MANAGEMENT

During the past year, the Center's floodplain management staff continued to be involved in a variety of activities, including technical and financial assistance, training and program administration.

Technical and Financial Assistance

The Center is the lead state agency to provide technical and financial assistance to Pennsylvania's flood prone municipalities and to ensure that they comply with federal regulations established in the National Flood Insurance Program (NFIP). During the past year, the Center provided technical assistance to more than 400 public and private sector entities.

The Center provided technical assistance to thirteen (13) municipalities who applied for the NFIP's Community Rating System (CRS) program. Through the CRS program, property owners will soon be eligible for discounts on their flood insurance ranging from 5 percent to 45 percent.

Financially, the Center continued to administer the state's floodplain management reimbursement program. Reimbursements under PA Act 166, The Pennsylvania Floodplain Management Act of 1978, pay up to 50 percent of the costs associated with preparing, administering and enforcing floodplain zoning ordinances and floodplain management ordinances which were necessary to comply with the NFIP and Act 166 requirements.

The Center prepared Floodplain Management (FPM) zoning amendments and conducted final reviews for one hundred and nine (109) municipalities in Montour, Northumberland, Columbia and Clinton that needed to comply with FEMA regulatory mandates. Additionally, the Center was involved in a number of other ordinance reviews

for compliance with NFIP regulations throughout the Commonwealth.

Repetitive loss properties (i.e., having more than one claim in a ten-year period) continued to be a major issue in the Commonwealth. As the state repository of data on repetitive loss properties, the Center played a key role in helping county and local municipal officials in developing mitigation plans concerning these properties.

Conservation District Flood Plain monitoring Contract Program

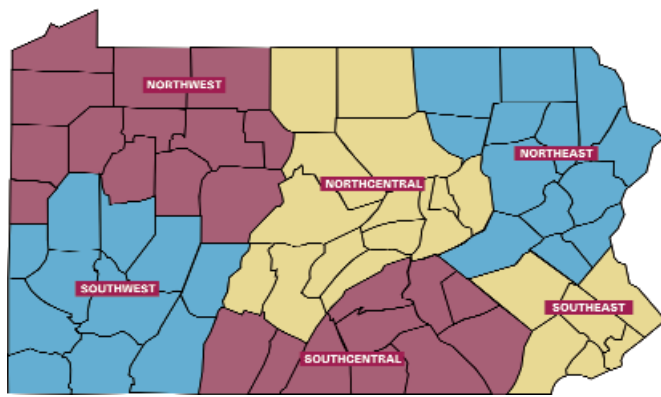
A major focus of the Center was to increase state capacity by enlisting increased participation in the Conservation District Flood Plain Monitoring Contract Program. Beaver, McKean, Montgomery, Jefferson, Susquehanna, Greene and Wayne County Conservation Districts joined the Program for the first time in 2008 raising the number of Conservations Districts in the Program to twenty (20). Contracts are in place to have over 90 community assistance contacts and 50 community assistance visits performed in 2009. Also, the Districts have committed to performing over 75 floodplain management ordinance reviews and updates, as well as conducting floodplain management workshops in their counties.

Training

This past spring, the Center participated in two regional flood summits for Bradford and Sullivan Counties. The summits focused on the water resource and ecological benefits of floodplains and strategies for empowering municipalities to exceed federal and state regulatory requirements on resource protection and restoration. The summits were designed to emphasize identifying flood hazards, and providing a higher level of protection, while at the same time preserving and restoring the natural functions of floodplains.

Map Modernization

The Center in conjunction with FEMA and PAMAGIC continued its work in the development of recommendations for the enhancement of the Commonwealth's role in FEMA's Map Modernization Program to address the unique floodplain mapping needs of the Commonwealth. A meeting of the advisory group was held during the state GIS Conference in May to further discuss floodplain data consistency and currency, increased communication between stakeholders, Commonwealth input into FEMA's Map Modernization Plan and flood mitigation coordination among and within levels of government. Future sessions are planned to further the initiative.



400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

888-2CENTER (888-223-6837)
717-787-8169 | Fax: 717-783-1402
newPA.com/center

Frederick A. Reddig, Executive Director

Fred Banuelos, Deputy Director

Mitch Hoffman, Local Government Policy Manager

Denny Puko, Local Government Planning Manager

Local Government Policy Specialists

D. Robert Brady II
Dan Fitzpatrick
Sean E. Sanderson

Fred Chapman
Ed Fosnaught
Ron Stern

Madra Clay
Karen O'Neill
Colton S. Weber

Governor's Center for Local Government Services Regional Offices

Southeast Regional Representatives

Ronald Bednar, AICP, Community Planning
Phone: 215-560-2259 | Fax: 215-560-6722

Marita Kelley, Local Government Services
Phone: 888-223-6837 | Fax: 717-783-1402

Northeast Regional Representatives

Matt Domines, Local Government Services
Phone: 570-963-4166 | Fax: 570-963-3439

Cindy Campbell Community Planning
Phone: 570-963-4574 | Fax: 570-963-3439

Southcentral Regional Representatives

Harry Krot, Local Government Services
Phone: 888-223-6837 | Fax: 717-783-1402

Ed LeClear, Community Planning
Phone: 888-223-6837 | Fax: 717-783-1402

Northcentral Regional Representative

Kim E. Wheeler, AICP, Community Planning
& Local Government Services
Phone: 570-523-1054 | Fax: 570-523-0906

Southwest Regional Representatives

Michael S. Foreman, Local Government Services
Phone: 412-565-5199 | Fax: 412-565-7983

Brian Hayden, Local Government Services
Phone: 412-565-2552 | Fax: 412-565-7983

Joy Wilhelm, Local Government Services
Phone: 412-565-5005 | Fax: 412-565-7983

Northwest Regional Representatives

Chris Maras, Local Government Services
Phone: 814-871-4189 | Fax: 814-871-4896

3/2009

Note: Act 58 of 1996 created the Governor's Center for Local Government Services within the Department of Community and Economic Development. Act 58 requires the Center to report to the Governor and Lieutenant Governor on its activities on an annual basis.

This report fulfills the Center's obligation for the fiscal year ending June 30, 2006. However, a number of significant events and activities have occurred since June 30 while this report was being prepared and are also covered in this report.