

The City Council met in regular session in the Council Chambers on Wednesday, August 15, 2018 at 7:30 P.M.

Council Members present: Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Yeas. 0.

On motion of Mr. Winarski, Seconded by Mr. Witherspoon, the reading of the minutes of the Meeting of August 15, 2018 were dispensed with and same adopted with copies furnished to the members of City Council by yeas Council Members Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington. 7. Nays. 0. Copies of the bills under date of August 10, 17 and 24, 2018, were given to City Council and same adopted by yeas Council Members Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

---

### **2018 MID-YEAR REPORT**

#### **Mayor's 2018 Mid-Year Budget Address To Erie City Council – 8/15/2018**

As you all know, six words sum up the goals and motivation of my administration:

Build Opportunity, Restore Hope, Transform Erie.

We want Erie to be a Community of Choice, where people choose to live because of 5 incredible things that are unique to Erie:

1. Our Rich Diversity of Cultures
2. Our Welcoming, Vibrant Neighborhoods
3. Our World-class Downtown and Bayfront
4. Our Schools of Excellence, and
5. Our Abundance of Family Sustaining Jobs.

Of course, finances are important. If the City is financially strong, we can achieve this transformational vision much more rapidly.

As with everything I do, I am committed to being open, honest, transparent and accessible in discussing the City budget. The financial numbers you are seeing today are exactly that.

As you understand, a budget is the best estimate of futures revenue and expenses. As a general rule of thumb, variances in budget line items compared to actual results within + or – 3% are considered acceptable by financial experts.

Based on this measure and our projection for the last 6 months of the year, our 2018 actual compared to budget is performing very well.

There is only one large issue that I need to present to you today. If you turn to page 5 of the Mid-Year report, you will see a box at the bottom of the page. This box shows our Projected Revenues and Projected Expenses for all of 2018. Note the last number in the box: We are currently projecting a short-fall of just over \$1 million. (\$1,087,810)

In a moment I'll explain immediate steps we are taking to reduce the amount of the short-fall. But first, I'd like to explain why this short-fall is being projected. In short, one of our revenue sources will not produce the amount of revenue budgeted. To see this, please turn to page 4 of your report.

In the middle of Page 4, under Operating Transfers, you see 3 line items, which represent transfers to the City from 3 areas:

Sewer Revenue  
Water Authority, and  
Refuse & Recycling

Water and Refuse/Recycling are projected to be right on budget, but you'll notice that we are projected to receive \$ 907,136 less than budgeted from the Sewer Authority. This is the primary cause of our current projected short-fall

So, what do we do? As soon as I became aware of this about 3 weeks ago, I made my senior staff aware of it and asked them to do everything in their power to reduce expenses and increase income. Since then, they have been actively consulting with the Finance Department before incurring any expenses and actively looking for ways to do things in a less costly way.

However, 87% of the City's expenses are employee salary and benefits. So, when we have employee turnover, we are also determining if we need to replace that employee. In most cases we will have to fill the vacancy by hiring a replacement. But for every full time employee we do not have to replace, we can realize an annual savings of around \$80,000 in salary and benefits.

So we have taken quick action to reduce this year's short-fall as much as possible, but we probably won't eliminate it. Luckily with Surpluses of:

\$ 71,392 in 2015  
\$ 67,479 in 2016, and  
\$1,506,923 in 2017

The City has adequate reserves to weather this unexpected short-fall.

Finally, I'd like to say a word about the 2019 Budget. We have not started to work on that yet, but we have committed to make an important change to improve the City's Financial Health. Please don't get me wrong. Even with the short-fall projected in the Mid-Year Report, the City remains very strong financially.

Here is the change you will see when we present the 2019 Budget later this year: Instead of a 1-Year budget, you will be reviewing a 5-Year Budget. Financial experts agree that one year is too short of a time frame to plan for an organization's financial well-being. We are converting to the recommended 5-Year Budget so that we can plan for and everyone can see the long term financial health of the City. This action is highly recommended by the Government Finance Officers Association.

In conclusion, please remember that we have a unique opportunity right now to transform Erie. Financially, we need two long term things to happen:

1. More good, family Sustaining jobs in Erie.
2. More people living in Erie.

Leaders in Erie from the Public, Private and Non-Profit Sectors, as well as our 4 local Universities, are collaborating like never before to make those 2 things happen. Erie Insurance is building the biggest building every built in Erie. Both UPMC Hamot and St. Vincent have additional \$100 million+ construction projects underway. The Erie Downtown Development Corporation has around \$30 million to invest in Erie's core and is committed to creating 750 new downtown housing units in the next 10 years. What Velocity Net is doing on 10<sup>th</sup> Street and what the Scotts are doing on the East Bayfront is incredible. In fact there is over \$600 MM of new construction projects underway. These projects will create over 1,000 new jobs in the next couple years. And there is more planned. Our \$1.0 MM projected 2018 budget deficit is not good news, but we will deal with it, as I have described. Don't let that one issue, distract you from the long-term transformation that is underway in our Community.

At this time, I am happy to respond to any questions.

By Mr. Kwitowski, Council File No. 15,640 Pending Official Ordinance 29-2018

An ordinance of the City of Erie, Erie County, Pennsylvania (The "City") authorizing and directing the execution and delivery of a guaranty agreement with the **Erie Parking Authority** ("The Authority") and compliance with the provisions thereof; approving the issuance by the authority of guaranteed **parking revenue bonds**, series of 2018 in an amount not to exceed \$2,500,000; repealing all inconsistent ordinances, directing the proper officers of the City to take necessary actions and further directing that this ordinance shall take effect immediately.

August 15, 2018. City Council on motion of Mr. Kwitowski, Seconded by Mr. Merski having read Council File No. 15,640, and now known as Official File Ordinance No. 29-2018 does hereby adopt on Final Passage by yeas Council Members Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington. 7. Nays 0.

August 15, 2018 Signed by the President. Attested by the City Clerk

By Mr. Winarski Council File No. 15,641

An ordinance appropriating the sum of **\$24,894.00** from unappropriated and anticipated revenue and providing for the expenditure thereof. [Donation from Erie County District Attorney Drug Account](#).

August 15, 2018. City Council on motion of Mr. Winarski, Seconded by Mr. Witherspoon having read Council File No. 15,640, does hereby adopt on First Reading by yeas Council Members Allen, Schaaf, Kwitowski, Merski, Winarski, Witherspoon and Arrington 7. Nays 0.

August 15, 2018 Signed by the President. Attested by the City Clerk.

---

Pursuant to the provisions of Zoning Ordinance No. 80-2005 and of the proper legal advertising, the City Council held a **public hearing** at approximately 8 P.M. in City Council Chambers, 626 State Street, Erie, PA 16501 to consider a request for [waterfront conditional use](#) as submitted by Kidder Wachter Architecture and Design in conjunction with **HANDS** for construction of two (2) single family homes located on adjacent lots (parcel ID 17-040-0150-20800 & 200900) or [419 and 425 West 2<sup>nd</sup> Street](#).

---

By Mrs. Schaaf, Seconded by Ms. Allen, Resolved, etc.

That **Elisabeth E. Espinosa**, 920 Hess Ave #1, Erie, PA 16503 is appointed to the **Erie County Human Relations Commission Advisory Board** for a four (4) year term which will expire August 31, 2022. Ms. Espinosa will replace Mr. George Morgan III whose term had expired.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Witherspoon, Seconded by Mrs. Schaaf, Resolved, etc.

That the proper City officials are authorized and directed to **designate the corner of East 8<sup>th</sup> and Parade Street as "Pastor Robert L. Gaines, Jr. Way,"** in honor of Robert Gaines, Jr. founder and pastor of Abundant Life Ministries International. Also a founder of the Parade Street Community Center, Pastor Gaines's vision was to serve the entire individual. Pastor Gaines created free community programs, outreach, and the Blue Coats among countless other programs. Pastor Gaines's work remains seen within our school, within our community, and within our hearts. His legacy will forever remain.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Ms. Allen, Seconded by Mr. Winarski, Resolved, etc.

That the proper city officials are authorized to execute a Payment In Lieu Of Taxes (**PILOT Agreement**) with HANDS as to properties listed on the attached Exhibit A. The terms of the agreement commit HANDS to a PILOT based on 50% of the properties' assessed value. The agreement shall expire at the end of the 2020 tax year for the County and the City and shall remain in effect for the School District until June 30, 2021. Thereafter, the properties listed on Exhibit A become fully taxable ([2676 Peach St](#)).

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Ms. Allen, Seconded by Mr. Winarski, Resolved, etc.

That the proper city officials are authorized to execute a Payment In Lieu Of Taxes (**PILOT Agreement**) with HANDS as to properties listed on the attached Exhibit A. The terms of the agreement commit HANDS to a PILOT based on 50% of the properties' assessed value. The agreement shall expire at the end of the 2020 tax year for the County and the City and shall remain in effect for the School District until June 30, 2021. Thereafter, the properties listed on Exhibit A become fully taxable. ([2686 Peach St.](#))

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.  
August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Witherspoon, Seconded by Ms. Schaaf, Resolved, etc.

That the proper City officials are authorized and directed to enter into an **Easement Agreement** with **UPMC Hamot**, 201 State Street, Erie, PA 16550. The Patient Care Tower (PCT) project, located at 104 East 2<sup>nd</sup> Street right-of-way, in accordance with the Easements Sketch Plan and Legal Descriptions (2), as prepared by Urban Engineers, Inc. Terms and conditions (technical requirements) of the Easement Agreement shall be recommended and concurred with by the Bureau of Engineering.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.  
August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Kwitowski, Seconded by Mr. Merski, Resolved, etc.

Receiving the petition submitted by the Quinn Law Firm for **St. Vincent Health Center** requesting the **closing and vacating** of a section of an unimproved alley that bisects part of the block beginning at Chestnut Street and going East until it terminates 165 feet before **Myrtle Street** between West 25<sup>th</sup> and West 26<sup>th</sup> Streets is hereby received and referred to the City Planning Commission for recommendation and report thereon (accompanied by the requisite \$300.00 filing fee)

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.  
August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mr. Kwitowski, Resolved, etc.

That the proposed **Repository Sale** of property commonly known as [1231 Buffalo Rd.](#), Erie, PA and identified by Erie County Assessment Index Number 18-051-0010-21500 by the Erie County Tax Claim Bureau to [Douglas Marlowe](#), 1241 Buffalo Road, Erie, PA in the amount of **\$250.00** is hereby approved.

August 1, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.  
August 1, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Merski Seconded by Mr. Kwitowski, Resolved, etc.

That the proposed **Repository Sale** of property commonly known as [406 Wilson](#) Street, Erie, PA and identified by Erie County Assessment Index Number 14-010-025.0-106.00 by the Erie County Tax Claim Bureau to Gordon Mitchell, P.O. Box 152, Erie, PA in the amount of **\$250.00** is hereby approved.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.  
August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Merski Seconded by Mr. Kwitowski, Resolved, etc.

That City Council authorized and directed the [Enterprise Zone](#) Loan Review Committee approval of the following loan be formally ratified:

	<u>Amount</u>	<u>Term</u>	<u>Fee</u>
<b>UGAF</b>	<b>\$684,450.00</b>	<b>7 years</b>	<b>\$3,422.25</b>

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Merski Seconded by Mrs. Schaaf, Resolved, etc.

That the Mayor and other appropriate City Officials are authorized to submit an Erie County Gaming Revenue Authority (**ECGRA**) Community Assets grant applications for **Parks, Trails, Arts and Culture** projects that will benefit city residents. Further resolved, that the Council of the City of Erie hereby authorizes the Special Events & Media Coordinator and the City Traffic Engineer as authorized officials to execute all documents to facilitate and assist in obtaining the requested grant.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Merski, Seconded by Mrs. Schaaf, Resolved, etc.

That the Mayor and other appropriate City Officials are authorized to submit an Erie County Gaming Revenue Authority (**ECGRA**) Community Assets grant application to support **Bayview Park Improvements** to benefit City residents. Further resolved, that the Council of the City of Erie hereby authorizes the Director of Public Works as an authorized official to execute all documents to facilitate and assist in obtaining the requested grant in collaboration with OWB.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

By Mr. Winarski, Seconded by Mrs. Arrington, Resolved, etc.

That the following amounts are transferred in the **2018 POLICE GENERAL FUND**

Transferred from:			Transferred to:		
Amount	Account	Title	Amount	Account	Title
\$ 5,000.00	002-0613-0000-4059	Other Services & Charges	\$ 5,000.00	002-0613-000-4043	Transportation/Seminars

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

That the Purchasing Agent is authorized and directed to issue purchase orders to the following individuals and/or companies for goods and/or services as noted and the City Council does hereby ratify and confirm the said transactions which are to be charged to the respective Budget Code Numbers, viz:

1. **AXON/Taser**, 17800 N. 85<sup>th</sup> Street, Scottsdale, AZ 85255-9603 for seven (7) [Tasers](#) and seven (7) battery packs for the Bureau of Police at a total cost of \$7,588.00.
2. **The Humane Society of Northwestern Pennsylvania**, 2407 Zimmerly Road, Erie, PA 16506 for a [two \(2\) year contract agreement](#), with a one (1) year extension option, beginning September 1, 2018 [for supplying animal shelter services](#) according to Bid # 6470-18 for the Bureau of Police at a total cost of \$16,255.50.
3. **Five Star International, LLC.**, 6100 Wattsburg Road, Erie, PA 16509 for repairs to a frontline apparatus at Engine 8 for the Bureau of [Fire](#) at a total cost of \$10,406.44.
4. **Gorman Enterprises**, 691 Bullis Road, Elma, NY 14059-9669 repairs to a booster tank on a [fire apparatus](#) for the Bureau of Fire at a total cost of \$2,617.75.
5. **Cutter Equipment Company**, 3710 Progress Street, NE Canton, OH 44705 for a 2010 Cushman Truckster Heavy Duty Utility Vehicle at Downing Golf Course for the Department of Public Works, Golf Fund, at a cost of \$10,900.00.

6. **Network Technologies**, 3910 Caughey Road, Erie, PA 16506 for three (3) year renewal support on Barracuda Spam & Virus Firewall which [provides protection](#) against viruses, malware and spam arriving through the e-mail server at City Hall for the Office of Computer Services at a cost of \$5,092.00.
7. **GovConnection, Inc.**, 732 Milford Road, Merrimack, NH 03054 for twenty (20) [PC's needed](#) to replenish its stock for the Office of Computer Services at a cost of \$12,700.00.
8. **E-Z Clean Pools**, 2025 West 12<sup>th</sup> Street, Erie, PA 16505 for supplies to operate [Rodger Young Pool](#) for the 2018 Summer Parks and Recreation Program for the Bureau of Economic and Community Development at a total cost of \$3,200.00.
9. **DCED**, 400 North Street 4<sup>th</sup> Floor, Harrisburg, PA 17120-0225, for the [State fees due](#) for April, May and June 2018 (682 permits) for the Bureau of Code Enforcement at a total cost of \$3,069.00.

August 15, 2018. City Council adopt by yeas Council Members, Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

August 15, 2018. Signed by the President. Attested by the City Clerk.

August 15, 2018, City Council on motion of Mr. Winarski, Seconded by Mr. Witherspoon adjourned at 10:09 P.M. by yeas Council Members Allen, Kwitowski, Merski, Schaaf, Winarski, Witherspoon and Arrington 7. Nays. 0.

---

President of City Council

Attest: \_\_\_\_\_  
City Clerk