

The City Council met in regular session in the Council Chambers on Wednesday, November 18, 2015 at 7:30 P.M.

Council Members present: Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.

On motion of Mr. Brennan, Seconded by Mrs. Horan-Kunco, the reading of the minutes of the Meeting of November 4, 2015 were dispensed with and same adopted with copies furnished to the members of City Council by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Winarski and Witherspoon. 7. Nays 0.

Copies of the bills under date of November 20, 2015 and November 27, 2015, were given to City Council and same adopted by yeas Council Members Brennan, Horan-Kunco, Jones, Kwitowski, Merski, Witherspoon and Winarski. 7. Nays. 0.

2016 BUDGET ADDRESS TO ERIE CITY COUNCIL

- Good evening, tonight I present you with the 2016 budget for the City of Erie.
- Once again, it is a balanced budget that reflects the true costs providing safety and services to our citizens, as well as accurate revenue projections necessary for providing these services.
- It does not include any tax or fee increases
- The 2016 budget reflects the ongoing stability in our municipal operation that we have worked very hard to develop, by finding new efficiencies and ways of controlling our costs of doing business.
- Over these ten years we have addressed the root problems and created realistic solutions. The result is a much more stable operating model that allows us to accurately anticipate attainable revenues and contemplate the true cost of providing public safety and services at the level required to properly serve this community.
- My administration continues to keep its promise to the citizens of Erie, that we will administer city government in an efficient and effective manner, for their benefit. Our department heads, Bureau Chiefs, Supervisors and staff have all worked diligently to find new ways to conduct operations so as to save money for our taxpayers, while continually refining our methods so that services would not be compromised.
- Over the past ten years we have focused on our core competencies, changed our way of doing business and reduced our work force by approximately 25%.
- We have created an efficient and effective government that is a model across the state for communities trying to find their way out of economic insolvency.
- It is our philosophy of prioritizing; focusing on core competencies and vigorously monitoring of spending that allows us to continue to remain financially healthy while providing top quality safety and services to our citizens.
- We have shown that financial insolvency can be overcome if we are willing to face the issues head-on, make hard decisions and formulate real solutions to restore stability and promote future prosperity.
- We worked diligently to refine every aspect of our operation to maximize our efficiency, doing much more with much less in all departments, to control our cost centers.
- We have paid down our aggregate debt by nearly \$45 million dollars and upgraded our bond rating 4 times, going from junk bond status in 2005 to our most recent rating of "A stable" investment grade. Because of this better rating, we were able to refinance our remaining debt at lower interest rates, keeping the annual payments as low as possible, to minimizing the impact on our annual budgets.
- This has allowed us to reallocate monies previously going to debt service to fund other projects like our long-term, very aggressive, paving plan to do the necessary large scale road repairs over a 5 year period without tax increases to cover these costs.

- In the area of risk management, our enhanced safety programs and claim management have led to an extraordinary savings in both worker's comp. claims and property & liability losses. We have managed to cut our worker's comp claims by nearly 70% since 2006 and our property & liability costs have been cut in half. Over the past 10 years, we have saved our taxpayers millions of dollars by effectively lowering our risk and diligently managing claims to conclusion.
- These are the type of plans we continue to pursue to insure a stable financial future for this community for years to come.
- We do, however, still face the ongoing challenge of the declining revenue base and supporting an operation which continues to increase in cost each year.
- Although we have effectively managed the costs that we can control, there are a host of expenses that are outside the control of the administration and council, and determined by the Governor and the legislators in Harrisburg.
- Myself and Mayors across the Commonwealth continue to work in Harrisburg to get necessary changes to state law in order to relieve these burdens on our communities.
- The work that we have done in Erie to isolate and engage the real challenges facing our city has become the driving force behind the Communities in Crisis Task Force formed by the Pennsylvania League of Cities. We have inspired other cities to band with us in order to formulate an agenda of change and challenge Harrisburg to address the root of the common problems so that long-term success for our cities can be achieved.
- This is something that we as a community can be proud of.
- The issues being addressed by the task force include skyrocketing pension costs, Act 111 uniform service contract costs, and post-employment benefits.
- These items have a significant impact on our long-term financial stability. For example, in 2016 our budgeted pension contribution, which is mandated by state law, will be approximately \$11.9 million dollars. This is up from \$3.65 million in 2006. A nearly 300% increase over this 10 year period. This will continue to climb each and every year, until there is meaningful reform in Harrisburg, that includes municipal pensions.
- Our employee costs in the police and fire departments have gone from \$25.5 million dollars in 2006 to \$43.3 million in 2016, a 70% increase. These are not discretionary costs, but are the direct results of mandatory arbitration awards. This too will continue until there are meaningful changes to the state statutes governing Act 111 collective bargaining.
- Our post-employment benefits, which were cited as a weakness by Standard and Poor's in our most recent bond upgrade, are currently \$1.6 million dollars per year. These costs include health benefits for retired uniform service members and are the direct result of mandatory Act 111 arbitration awards.
- In contrast, our entire general fund budget has increased from 55.5 million dollars in 2006 to 72.1 million in 2016. This is approximately a 30% increase over the last ten years, contrasted by a 70 to 300% increase in our major cost drivers, during the same time frame. This shows that through effective stewardship of the operation, we have been able to counter-act some of the effects of these much larger increases in the non-discretionary items. However, these costs continue to grow at a very disproportionate rate and will do so until the laws allowing this are changed.
- To date, we have not garnered enough support among the state legislators to accomplish meaningful changes. Until we do, the burden continues to fall on municipal taxpayers across the state.
- We are resolved to continue to work diligently to gain support for these critical initiatives, as they are paramount to the future success of communities all across the Commonwealth.
- In the meantime, we will continue in our efforts locally to make Erie the model of success for cities across Pennsylvania who have faced financial hardships.
- The budget I present today will continue our progress.
- It reflects true revenue projections as well as real cost estimates. It honestly contemplates the needs for 2016 and the best way to apply our resources to meet those needs.
- As I promised with each of the previous budgets, our goal is to administer an efficient, effective and progressive operation. As the results of each of the ten years of this administration shows, we did just that.

- This budget is no different. Once again:
 - It does NOT include a property tax or fee increases; and
 - It does not include any new personnel or programs, it simply supports current services and capital needs in those areas.
- Finally, I would like to thank every department head, bureau chief and employee of the City of Erie who continue to do everything in their power to make the city operations affordable to the taxpayers. They are to be commended for their dedicated efforts.
- I would like to thank you, our City Council for continuing to work with us, in a positive and proactive manner. We have all been part of the successes we have realized over the past ten years. I would like to commend you for your work in supporting the hard decisions which brought us through the difficult times and for becoming more aware of the operation of the city and the consequences of the decisions made within this chamber.
- I would also like to thank the City Controller and City Treasurer for continuing to work with us to help easily implement the operation in each of your areas.
- Together we have created an economically stable city government and shown our community that we can work together to create a government that truly operates with their best interest as a first priority.
- The decisions and determinations toward the enactment of the final budget are yours. We ask that you adopt this budget because we believe it truly reflects our community's needs.
- My staff will be available to help you understand the information in the budget and the thought processes that went into each of the decisions comprising the individual budget recommendations.
- Thank You.

Council File 15,936

An ordinance fixing the tax rate for all city purposes for the Fiscal Year 2016 (beginning on January 1, 2016 and ending December 31, 2016).

November 18, 2015. City Council on motion of Mr. Brennan, Seconded by Mr. Merski having read Council File No. 15,936, does hereby adopt on First Reading by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays 0.

November 18, 2015, Signed by the President. Attested by the City Clerk.

Council File 15,937

An ordinance of the City of Erie, County of Erie and Commonwealth of Pennsylvania, adopting the General Fund and certain other budgets for the Fiscal Year beginning (January 1, 2016 and ending December 31, 2016).

November 18, 2015. City Council on motion of Mr. Brennan, Seconded by Mr. Merski having read Council File No. 15,937, does hereby adopt on First Reading by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays 0.

November 18, 2015, Signed by the President. Attested by the City Clerk.

Council File 15,938

An ordinance appropriating the sum of \$12,500.00 from unappropriated and anticipated revenue and providing for the expenditure thereof.

Donation from the Star Athletic Club

November 18, 2015. City Council on motion of Mr. Kwitowski, Seconded by Mrs. Horan-Kunco having read Council File No. 15,938, does hereby adopt on First Reading by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays 0.

November 18, 2015, Signed by the President. Attested by the City Clerk.

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

That the proposed [Repository sale](#) of property commonly known as 2421 Parade Street, Erie, PA and identified by Erie County Assessment Index Number 18-050-019.0-222.00, by the Erie County Tax Claim Bureau to Juan Lopez, 2419 Parade Street, Erie, PA in the amount of \$250.00 is hereby approved.

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

By Mr. Witherspoon, Seconded by Mr. Winarski, Resolved, etc.

That the proper City Officials to amend the Zoning Ordinance of the City of Erie No. 80-2005, sections 305.45, Article 6 and any other relevant provisions providing for the purposes, adding and amending defined terms establishing certain general and specific standards relating to the location, placement, construction and maintenance of Tower-based Wireless Communication Facilities and Non-tower Wireless Communication Facilities, after referral to the City Planning Commission.

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the following amounts are [transferred in the Bureau of Streets and Paint & Sign](#):

TRANSFERRED FROM:			TRANSFERRED TO:		
AMOUNT	ACCOUNT	TITLE	AMOUNT	ACCOUNT	TITLE
\$60.00	002-0715-0000-4013	Seasonal Wages	\$1,466.25	002-0713-0000-4006	Overtime
\$1,406.25	002-0713-0000-4013	Seasonal Wages			
\$100.00	002-0713-0000-4045	Communication	\$100.00	002-0713-0000-4046	Postage
\$5,000	002-0713-0000-4047	Heat, Light, Power	\$12,000.00	002-0713-0000-4035	Repair & Maint.
\$7,000	002-0715-0000-4033	Operating Supplies			
\$13,566.25	TOTAL		\$13,566.25	TOTAL	

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

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

That the following amount is [transferred in Liquid Fuels](#).

TRANSFERRED FROM:			TRANSFERRED TO:		
AMOUNT	ACCOUNT	TITLE	AMOUNT	ACCOUNT	TITLE
\$60,000	013-1291-0000-4033	Operating Supplies	\$60,000	013-1291-0000-4049	Street Lighting

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mrs. Horan-Kunco, Resolved, etc.

That the Mayor and City Controller are authorized and directed to execute **contracts** between the City of Erie and 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. **Suit-Kote Pennsylvania**, P.O. Box 5363564, Pittsburgh, PA 15253-5905, for proposed crack filling of various streets for the Bureau of Engineering of the City of Erie at unit prices per COG bid (4/15/15) in the amount of **\$47,250.00**.

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

By Mr. Brennan, Seconded by Mrs. Horan-Kunco, Resolved, etc.

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. **Brooks Landscape, Inc.** 5263 Knoyle Road, Erie, PA 16510, for the Department of Public Works-Shade Tree, of the City of Erie for the planting of trees in the Boulevard of State Street in the amount of **\$4,750.00**.
2. **Crux, Inc.**, 1525 Industrial Drive, Erie, PA 16505 for a one-year renewal of the EMC Hardware [maintenance agreement](#) for the Office of Computer Services of the City of Erie at a cost of **\$2,889.00**.
3. [Empire Stack Testing](#), 1090 Cain Road, Angola, NY 14006 diagnostic testing of the Wet Electrostatic Precipitators' for the Bureau of Sewers for the City of Erie at a total cost of **\$9,581.73**.
4. **Fire Fly Equipment Sales, Inc.**, 9525 Franklin Center Road, Cranesville, PA 16410, to repair a HALE QSMG Pump, for the Bureau of Fire of the City of Erie at a total cost of **\$15,200.00**.
5. [Gem City Gun Club](#), 8865 Donlin Road, Erie, PA 16514-0533 for training and qualifications range fees for the Bureau of Police at a total amount of **\$5,000.00**.
6. [Groff Tractor & Equipment, Inc.](#), 6779 Carlisle Pike, Mechanicsburg, PA 17050, for holders and screws for the Wirtgen Milling machine for the Bureau of Streets, at a cost of **\$5,680.16**.
7. **Pirrello Enterprises**, 721 Parade Street, Erie, PA 16503 for scanning 16MM microfilm for archiving for the Office of City Clerk for the City of Erie at a total cost of **\$2,259.92**.
8. **J. Thomas Tree Service**, P.O. Box 9367, Erie, PA 16505, for the Department of Public Works, Property and Parks of the City of Erie, for tree and stump removal in the amount of **\$4,285.00**.
9. **Winkle Electric**, 4727 Pittsburgh Avenue, Erie, PA 16509 for the renewal of the [SCADA](#) service technical support agreement with Rockwell Automation for the Bureau of Sewers at a total cost of **\$8,807.66**.

November 18, 2015. City Council adopt by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.
November 18, 2015 Signed by the President. Attested by the City Clerk.

November 18, 2015 City Council on motion of Mr. Brennan, Seconded by Mrs. Horan-Kunco adjourned at 8:39 P.M. by yeas Council Members Horan-Kunco, Jones, Kwitowski, Merski, Winarski, Witherspoon and Brennan. 7. Nays. 0.

President of City Council

Attest:

City Clerk